TEXAS-LOUISIANA PETROLEUM RECORD AND

Oil Investors' Journal

THE TRUTH AND NOTHING BUT THE TRUTH CONCERNING THE BEAUMONT FIELD AND OTHER SOUTHWESTERN OIL FIELDS.

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TULSA NOW THE OIL CENTER

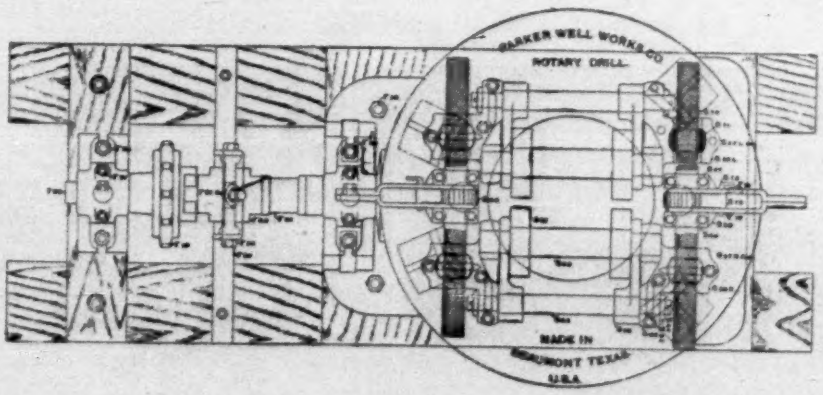
Territory-to-the-Gulf Pipe Line Projects, and the Glenn Development Have Put It on the Map to Stay. Great Activity in Construction Work. Gulf Coast Interests Completing Preliminaries—November Report on Mid-Continent Field Operations—Attacking Hitchcock's Lease Restrictions—Prairie Company's Runs. Miscellaneous Notes.

Tulsa, I. T., Nov. 30.—(Special.)—Tulsa is taking on the appearance of a real, live oil center. It began to loom up on the map in October when the newspapers said it would be the strating point of a pipe line to the Gulf of Mexico. It required several weeks' time and a lot of confirmatory information to overcome the prejudice which exists in the minds of operators towards reports of matters pertaining to the oil industry that are sprung in the daily press. That is about the last place "the talent" expects to see a reliable forecast of things to come. So, even after the representatives of Texas interests had appeared on the ground, rented offices and prepared to do business, certain of the oil men remained skeptical—they had been up against quite a bunch of pipe line projects, born in the newspapers, nourished by the newspapers, and dead of inanition before they had taken shape outside of the editorial skull. But the past month has witnessed a very general conversion to the belief that this time it is not a false alarm. The good faith of the interests behind the two Territory-to-the-Gulf pipe line propositions is not doubted. Visible evidence has been afforded of the preliminaries. Surveys are being made, men of established reputation in various parts of the business have been engaged to take charge of the new work, and it is opined that nothing in the ordinary course of events can interfere with the laying of the lines to the Gulf coast.

Developments of importance during the past month relative to the pipe line projects may be said to include the statement from C. H. Markham, general manager of the J. M. Guffey Petroleum Company, to the effect that a reorganization of the Guffey and Gulf Refining companies had been agreed upon, to enable the joint interests to construct a pipe line from the Territory to the present Guffey lines in Southeast Texas; the incorporation of the Gulf Pipe Line Company in Texas with $3,500,000 capital and authority to issue a like amount of bonds to take over the Guffey pipe line system in Texas and to construct the Territory line; the announcement by Secretary of the Interior Hitchcock that he would approve the right of way for this line through the Indian Territory to Red river; the visit to the Territory and tour of inspection by President J. S. Cullinan and Vice President Arnold Schlaet of The Texas Company; the employment of Martin Moran, superintendent, and J. C. Dowling, chief engineer of the Ohio Oil Company, by The Texas Company for its Oklahoma department, in connection with the installation of facilities in the Territory field and the laying of a line to the Gulf; the renting of a suite of eleven offices by The Texas Company at Tulsa, and the beginning of actual construction on the Gulf Pipe Line Company's gathering system in the Tulsa district.

Elsewhere in this number of the Journal will be found the full text of the Guffey-Gulf reorganization plan. It contemplates the formation of a New Jersey holding corporation, having $15,000,000 capital and authority to issue the same amount of six per cent bonds, this corporation to hold a majority of the stock and bonds of the J. M. Guffey Petroleum Company, operating the producing end of the business, the Gulf Refining Company, operating the refinery at Port Arthur, and the Gulf Pipe Line Company, operating the pipe lines in Texas and the one to be built from the Territory to the Gulf coast.

The Texas Company will provide funds for the construction of its line by issuing the new stock authorized in October, when the company's capital was increased from $6,000,000 to $12,000,000. The entire issue has been underwritten. While no official announcement has been made as to



LATEST

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BEAUMONT, TEXAS.

MANUFACTURERS.

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the company's plans, it is known that the organization of an Oklahoma department, to handle the northern end of the company's business, has been about completed. The new department will be in charge of Martin Moran as general superintendent. J. C. Dowling will be chief engineer to oversee all construction, laying of lines, etc. The Texas Company has secured a suite of eleven offices in the First National Bank building at Tulsa, taking possession December 1. The offices of Captain H. Y. Arnold, representing the Guffey-Gulf people in the Territory, are in the same building. The Texas Company will also establish offices at Dallas, where rooms have been secured in the Wilson building.

Messrs. Cullinan and Schlaet arrived in Tulsa on the evening of November 21, coming from the east by way of the Illinois field, where they spent several days, thence through to Bartlesville and Cleveland, Okla. They were accompanied on their inspection of the development in the Tulsa district on November 22 by C. S. Miller and John Black of Independence, J. R. Sharp and J. W. Sloan. On the afternoon of the 23d Messrs. Cullinan and Schlaet left Tulsa, going to Muskogee, and south to Shreveport and Beaumont.

SURVEYING THE LINES.

According to report, The Texas Company's line, as projected, will go south and a little west from the Tulsa district, touching the outskirts of the city of Dallas. This will throw it west of the 96th meridian and within a few miles of the 97th. The direction will be changed from a point opposite Dallas, and it will be run south and east, to traverse the Corsicana-Powell district. South of this locality it will cross the 96th meridian and extend to Humble, where it will connect with the existing pipe line system, giving an outlet to Port Arthur and to Houston. Surveying crews are now in the field.

J. M. Milliken, chief engineer for the Mellon interests, is located in Tulsa. The survey for the Gulf Pipe Line Company's line starts north from Sour Lake, in Hardin county, striking the T. & N. O. railroad near Kountze, twenty-five miles northwest of Beaumont, and a few miles west of the 94th meridian, the line runs almost due north to Lufkin, about 100 miles from Beaumont, and traverses the Nacogdoches district, 120 miles north of Beaumont. It then veers to the west, crossing the 95th meridian, and extending to the Red river at a point north of Denison. The surveying crew which is working on the south end started from Sour Lake on November 12. Another crew started at about the same time on the survey through Indian Territory, running a line north from Red river, west of Durant and east of Madill, where oil has been developed in small quantities, about ten miles east of Tishomingo and north and a bit east, passing near Weleetka and Okmulgee, thence to the Tulsa district. For some distance south of Tulsa the survey will be near to and parallel with the 96th meridian.

Secretary Hitchcock has approved the plans and application of H. Y. Arnold for rights of way over Indian lands in the Creek nation to permit the construction of the gathering system now being installed in the Glenn field by the interests represented by Captain Arnold. Laborers and teams are now engaged on this work. The original construction will include about thirty miles of two, three, four and six inch line. The pipe is on the ground. Grades for steel tanks are also being made, and the construction of storage is starting.

OIL IN SOLID TRAINS TO TEXAS.

As previously announced, it is the plan of the Gulf company interests to inaugurate the shipment of 4000 to 5000 barrels a day of Indian Territory crude from Keifer station, a point on the Frisco railroad, six miles west of the Glenn field, to the Gulf refinery at Port Arthur, as soon as the facilities now under construction are completed. It will require twenty to twenty-five cars a day to move the amount of oil stated. The understanding is that the oil will be handled in solid trains, running as special fast freights over the Frisco tracks to Denison, then via the Southern Pacific lines—Houston and Texas Central and Texas and New Orleans—direct to West Port Arthur and the refinery. The present rate on crude from Tulsa to Gulf Coast points is 25 cents a hundred, or about 78 cents a barrel. It is understood that a special rate will be made on train load shipments when the Gulf people are ready to do business. The plan for handling the movement of oil from Keifer to Port Arthur is expected to materially shorten the time consumed ordinarily in moving freight such a distance—nearly 600 miles. It is expected that the oil trains will make through runs, stopping only to change engines. Nevertheless, between 250 and 400 cars will be required to handle the shipments on the scale intended.

ACTIVITY MAKES TULSA PROSPEROUS.

Tulsa is destined to reap much prosperity from the activity in the district south of this city. It is the logical headquarters for all companies and individuals operating in the Glenn field, and, for that matter, it is convenient to all the fields, having five railroads—the Santa Fe, M., K. & T., the Frisco, the Midland Valley and the A. V. & W. All of the oil districts in the Mid-Continent region may be reached from Tulsa without change of cars. It will not require a boom in drilling operations—which is not likely—to make this city one of the busiest places in the whole wide land this winter. The construction that has been started, and that in contemplation, will turn loose a flood of money in Tulsa. The Prairie Oil and Gas Company's tankage and pipe line work will require 200 to 250 men. The Gulf people will need nearly as many on their construction. Tulsa is the natural center for supplies, as well as the natural center of all business transacted in the district.

RECORD-BREAKING OUTPUT PREDICTED.

Predictions are being freely made that the capacity of the Mid-Continent field will be increased to 200,000 barrels by the middle of next summer. New production in November is put at about 15,000 barrels. This added to the conservative estimate of total production at the end of October, 115,000 barrels, would make the present output about 130,000 barrels, about half of which is being run. The Glenn pool, in its present stage of development, is said to be good for 40,000 barrels. The new production in this field for November is given in round figures as 10,000 barrels. Before the end of December another 10,000 barrels will be added to the output. The runs are averaging about 5000 barrels a day. In connection with the outlook for a largely increased output, some of the operators are fearing a further reduction in price. It is next to treason, of course, to talk of anything so utterly horrible as a market below the present 39-cent level.

SHIPPING ALLUWE CRUDE TO THE GULF COAST.

The Superior Consolidated Oil Company, in which F. C. Henderson, who operated on the Beaumont field three years ago, is heavily interested, has completed a two-inch line from its property in the Alluwe district to the Iron Mountain railroad at Watova, a distance of about seven and a half miles. The first shipment of crude to the Record refinery at New Orleans was scheduled to be made this week. It is the intention to ship 5000 barrels a month to New Orleans and about the same quantity to the Muskogee refinery. The rate to New Orleans is 78 cents a barrel, and to Muskogee about 19 cents a barrel. The Superior Company's holding are among the most desirable in the Cherokee shallow sand development. They comprise about 1200 acres in sections 19, 20, 21 and 28, township 25 north, range 12 east, on which 63 wells have been drilled, 61 being producers and the other two gassers. Two of the wells came in good for 500 barrels each. The present capacity of the leases, conservatively stated, is 1500 barrels a day. Runs from the properties in October amounted to 5000 barrels. The Alluwe sand is from 25 to 50 feet thick and yields crude of 37 gravity at the wells. This crude is especially adapted to the manufacture of naphthas and burning oils of prime quality, as may be noted from the following statement of a test run at the Muskogee refinery:

Crude, 35 Gravity at Still.
(37 gravity at wells.)

Came over at 79 gravity;

Run to 56 gravity, 17.5 per cent 62 gravity, naphtha;

Run from 56 to 49 gravity, 17.5 per cent prime white 43 gravity, 100 flash;

And from 38 to 36 gravity, 115 fire.

Run from 49 to 38 gravity, 22.36 per cent water white 44 gravity, 130 flash, 115 fire;

Run from 36 to 33 gravity, 24.71 per cent paraffine distillate;

Leaving 18.25 per cent residuum.

Henry Raymond of Raymond, Pynchon & Co., bankers of 111 Broadway, New York City, was one of Mr. Henderson's partners in the development of the Superior Company's holdings. C. H. Hammett was also interested in the properties, but was bought out by Mr. Henderson. Mr. Hammett operated in Beaumont four years ago.

Another former Beaumont operator who has done well in the Territory is John Markham. He got hold of a lease adjoining the Bartlesville townsite and drilled in some excellent producers, which have put him on easy street.

PRAIRIE COMPANY INCREASES SHIPMENTS.

The statement of runs and deliveries by the Prairie Oil and Gas Company for the period from November 1 to 21, inclusive, is as follows:

	Total Barrels.	Daily Average.
Runs	1,335,233.49	63,582.55
Deliveries	1,230,086.90	58,575.57
Put into tankage	105,146.59	5,106.98

Compared with the October record, the figures show a decrease of 1244 barrels in daily runs, an increase of 8269 barrels in daily shipments, and a decrease of 9413 barrels in the average amount put into tankage each day. The heavy shipments are the feature of the report for the 21 days of November. The average of 58,576 barrels indicates that the two lines to Whiting are taking probably 40,000 barrels a day. It is estimated that Sugar Creek is receiving about 12,000 barrels, and Neodesha about 6000 barrels a day. The movement of mid-continent oil to the Atlantic coast is put at 15,000 barrels a day. The heavy shipments indicate that when the new tankage being erected by the Prairie Company in the Territory is ready to receive oil, a considerable increase in runs may be expected.

PERSONAL NOTES.

Joe Davis of Houston was in Tulsa last week, figuring on hauling to be done in connection with the construction that Captain Arnold is directing. He will ship some teams to the Territory this month.

George L. Craig, formerly manager of the J. M. Guffey Petroleum Company, spent last week in Tulsa. When the Indian Territory Illumniating Oil Company's blanket lease on 1,500,000 acres in the Osage nation expired, and the Secretory of the Interior renewed the contract for ten years on only 680,000 acres, interests represented by Mr. Craig got the Indian council to approve leases on 520,000 acres out of the 820,000 acres that were to be released. Secretary Hitchcock, however, has never sanctioned the transaction. Mr. Craig has recently secured extensive holdings in the Illinois field.

W. E. Griffiths, who was in charge of the lands and leases department of the Guffey Company in Texas in 1901 and 1902, is in Tulsa to handle lands and leases.

[Continued on Page 14.]

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GULF COAST SUMMARY FOR NOVEMBER.

PRODUCTION OF SOUTHEAST TEXAS DISTRICTS.

	Barrels.		
	Oct. 31.	Nov. 14.	Nov. 30.
Humble	6,500	7,000	7,000
Batson	6,850	6,900	7,300
Saratoga	7,500	8,100	8,700
Sour Lake	6,050	6,000	6,000
Spindletop	3,100	2,900	3,100
Dayton	175	175	150
Total	30,175	31,075	32,250

The increase on November 30 compared with October 31 is 2075 barrels and 1145 barrels compared with November 14.

PRODUCTION OF THE DISTRICTS IN LOUISIANA.

	Barrels.		
	Oct. 31.	Nov. 14.	Nov. 30.
Jennings	20,000	17,400	17,850
Welsh	200	125	125
Total	20,200	17,525	17,975

The decrease on November 30 compared with October 31 is 2225 barrels and an increase of 450 barrels compared with November 14.

PRODUCTION OF THE GULF COAST REGION.

	Barrels.		
	Oct. 31.	Nov. 14.	Nov. 30.
S. E. Texas	30,175	31,075	32,250
Louisiana	20,200	17,525	17,975
Total	50,375	48,600	50,225

The decrease on November 30 compared with October 31 is 150 barrels and an increase of 1625 barrels compared with November 14.

PORT SHIPMENTS OF TEXAS OIL IN NOVEMBER.

Grade.	Barrels.
Crude	426,255
Other grades	355,528
Total all grades	781,783
Daily average crude	14,208
Daily average other grades	11,850
Total daily average	26,058

RAIL SHIPMENTS OF SOUTHEAST TEXAS CRUDE.

Gulf, Colorado and Santa Fe.

Loading Point.	Cars.	Barrels.
Saratoga	780	172,931
Beaumont	8	1,800
Total	788	174,731

Kansas City Southern.

Loading Point.	Cars.	Barrels.
Beaumont	9	1,928

International and Great Northern.

Loading Point.	Cars.	Barrels.
Trice (Texas Company)	494	105,610

Houston East and West Texas.

Loading Point.	Cars.	Barrels.
Humble	811	203,540

Sunset Lines.

Loading Point.	Cars.	Barrels.
Sour Lake	641	135,264
Gladys (Spindletop)	1	190
Total	642	135,454

TOTAL RAIL SHIPMENTS OF TEXAS CRUDE.

Railroad.	Cars.	Barrels.
G., C. & S. F.	788	174,731
K. C. S.	9	1,928
I. & G. N.	494	105,610
H. E. & W. T.	811	203,540
Sunset Lines	642	135,454
Total	2,744	621,263

TOTAL MOVEMENT OF TEXAS CRUDE IN NOVEMBER.

	Barrels.
Port shipments	426,255
Rail shipments	621,263
Total	1,047,518
Daily average port shipments	14,208
Daily average rail shipments	20,709
Total daily average	34,917

RAILROAD SHIPMENTS OF JENNINGS CRUDE IN NOVEMBER.

Kansas City Southern.

Loading Point.	Cars.	Barrels.
Lake Charles	267	56,793

Sunset Lines.

Loading Point.	Cars.	Barrels.
Jennings	935	219,795
Mermentau	107	21,221
Egan	319	64,341
Total	1,361	305,267

TOTAL SHIPMENTS OF JENNINGS CRUDE.

Railroad.	Cars.	Barrels.
K. C. S.	267	56,793
Sunset Lines	1,361	305,267
Total	1,628	362,060

DELIVERIES OF JENNINGS CRUDE TO PLAQUEMINE.

	Barrels.
By pipe line and barges (est.)	195,000

TOTAL MOVEMENT OF JENNINGS CRUDE.

	Barrels.
Rail shipments	362,060
Plaquemine	195,000
Total	557,060
Daily average rail shipments	12,069
Daily average Plaquemine	6,500
Total daily average	18,569

GROSS MOVEMENT OF CRUDE FROM TEXAS AND LOUISIANA.

Districts.	Barrels.
Southeast Texas	1,047,518
Louisiana	557,060
Total	1,604,578
Daily average S. E. Texas	34,917
Daily average Louisiana	18,569
Total daily average	53,486

GROSS MOVEMENT AND ESTIMATED CONSUMPTION.

	Barrels.
Rail and port shipments	1,604,578
Refinery consumption	400,000
Field consumption	40,000
Total	2,044,578
Daily average in November	68,152
Daily average in October	72,757

Decreased daily average in November 4605 barrels.

ESTIMATED MONTHLY PRODUCTION OF TEXAS DISTRICTS.

	Barrels.	
	October.	November.
Humble	225,000	215,000
Batson	208,000	205,000
Saratoga	215,000	235,000
Sour Lake	200,000	180,000
Spindletop	90,000	85,000
Dayton	5,000	5,000
Total	943,000	925,000

Daily average November, 30,833 barrels.
Daily average October, 30,419 barrels.
Increase daily average in November 414 barrels. The total decrease in November compared with October is 18,000 barrels.

ESTIMATED MONTHLY PRODUCTION OF LOUISIANA DISTRICTS.

	Barrels.	
District.	October.	November.
Jennings	600,000	535,000
Welsh	6,000	4,000
Total	606,000	539,000

Daily average November, 17,966 barrels.
Daily average October, 19,355 barrels.
Decrease daily average November, 1,389 barrels. The total decrease in November compared with October is 67,000 barrels.

ESTIMATED MONTHLY PRODUCTION OF GULF COAST REGION.

	Barrels.	
District.	October.	November.
Southeast Texas	943,000	925,000
Louisiana	606,000	539,000
Total	1,549,000	1,464,000

Daily average October, 49,968 barrels.
Daily average November, 48,800 barrels.
Decreased daily average in November, 1168 barrels. The total decrease in November compared with October is 85,000 barrels.

WELL SUMMARY FOR MONTH OF NOVEMBER.

COMPLETED.

	Cpd.	Prod.	Dry.	Pdu.
Humble	11	10	1	355
Batson	4	4	0	825
Saratoga	10	10	0	1,295
Sour Lake	3	2	1	80
Spindletop	5	4	1	625
Jennings	5	4	1	1,900
Total	38	34	4	5,080

DRILLING.

District.	Oct. 31.	Nov. 14.	Nov. 30.
Humble	18	23	20
Batson	9	11	5
Saratoga	8	8	10
Sour Lake	4	7	10
Spindletop	13	14	13
Jennings	10	9	10
Total	62	72	68

LOCATIONS.

District.	Oct. 31.	Nov. 14.	Nov. 30.
Humble	3	6	4
Batson	2	0	0
Saratoga	5	5	3
Sour Lake	4	2	0
Spindletop	6	3	6
Jennings	3	2	6
Total	23	18	19

CORSICANA AND POWELL.

The Corsicana and Powell report did not reach Beaumont in time for publication in this number of the Journal. It will be printed in the December 18 number.

TRUNK LINE FROM ILLINOIS IS READY FOR OIL.

The trunk line of the Ohio Oil Company from the Illinois field to Montpelier, Ind., is expected to be in readiness to move crude early in the present month. There is about forty miles to lay at the Montpelier end of the line, but the other end is practically in condition to do business. The new line will relieve the situation in the Illinois field to the extent of between 20,000 and 24,000 barrels a day.

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CRUDE PRICES.

Quotations on Credit Balances as Posted by the Pipe Lines.

SUN COMPANY.

	Oct. 31.	Nov. 16.	Nov. 27.
Spindletop	.69	70	72
Sour Lake 20 and up	.65	68	68
Sour Lake 18 to 20	.63	66	66
Sour Lake 17 to 18	.62	65	65
Batson 20 and up	.62	65	65
Batson 17 to 20	.58	62	62
Saratoga 20 and up	.62	65	65
Humble heavy	.62	70	70
Dayton 20 and up	.62	65	65
Dayton below 20	.57	60	60

J. M. GUFFEY PETROLEUM COMPANY.

	Aug. 28.	Oct. 8.	Oct. 16.	Oct. 29.	Dec. 1.
Sour Lake, light	.54	59	62	64	67
Sour Lake, heavy	.45	50	50	50	55
Saratoga	.50	52	57 1-2	60	63
Batson, light	.46	51	54	60	63
Batson, heavy	.42	47	50	52	52 1-2
Humble	.53	56	60	65	65
Spindletop	..	..	..	68	70

Where no figures are given the price remains unchanged.

THE TEXAS COMPANY.

	Aug. 6.	Aug. 28.	Oct. 6.	Oct. 15.	Oct. 29.	Dec. 1.
Sour Lake	.54	56	59	62	64	67
Saratoga	.47	49	52	57	60	63
Humble	.51	53	56	60	62	65
Jennings	.40	42	47	54	58	60
Shreveport	..	..	..	..	..	60

Above prices do not include loading, storage or other charges on oil shipped by tank car.

Contract prices for Texas oil at the wells from 8 to 12 cents above credit balance quotations.

EASTERN PRICES.

Pennsylvania	$1.58
Second sand	1.58
Tiona	1.68
Corning	1.10
Newcastle	1.35
Cabell	1.18
Butler, Ohio	1.78
North Lima	.90
South Lima	.85
Indiana	.85
Princeton, Ind.	.64
Casey, Ill.	.64
Somerset	.85
Ragland	.55
Corsicana, light	1.00
Corsicana, heavy	.60
Henrietta, Texas	.60

KANSAS AND TERRITORIES.

32 gravity and over	$0.39
32 to 31 1-2 gravity	.36
31 1-2 to 31 gravity	.33
31 to 30 1-2 gravity	.30
30 1-2 to 30 gravity	.27
Heavy or fuel oil	.26

CANADA.

Petrolia, $1.30, with government bounty 52 1-2; total $1.82 1-2.

Oil Springs $1.37, less pipeage, with government bounty 52 1-2; total $1.89 1-2.

NOVEMBER SHORTAGE CLOSE TO 580,000 BARRELS—SUMMARY.

Gross movement and consumption in the Gulf Coast region in November in excess of production was close to 580,000 barrels, against an estimated shortage in October of 698,938 barrels, or a decline of about 118,000 barrels. While there was an increased port movement during the month, rail shipments fell off slightly, accompanied by a decrease in refinery consumption, bringing the shortage down to a figure below previous months.

The wildcat situation presents nothing encouraging, although the well on Pine Island in the Caddo district in northwestern Louisiana is making about 250 barrels a day. Movement of oil from the loading racks on the Kansas City Southern is expected to begin early in the month. The oil will be used by the railroad for fuel purposes. One well is drilling and two others are preparing to start near the producing well.

Credit balance quotations have been advanced 2 and 3 cents, with the usual strengthening of the contract prices, which are from 3 to 10 cents above credit balances. The Sun company, following the custom of the J. M. Guffey Petroleum Company and The Texas Company, is now posting credit balances. On November 27 it made a quotation of 72 cents for Spindletop, 68 cents for Sour Lake light, and 65 and 66 cents for two grades of the heavy, 65 cents for Batson light and 62 cents for heavy, 65 cents for Saratoga, 70 cents for Humble and 60 and 65 cents for two grades of Dayton crude. The J. M. Guffey Petroleum Company on December 1 posted 67 cents for Sour Lake light, 55 cents for heavy, 63 cents for Saratoga, 63 cents for Batson light and 52 1-2 cents for heavy, 65 cents for Humble and 70 cents for Spindletop. The Texas Company on the same date posted 67 cents for Sour Lake, 63 cents for Saratoga, 65 cents for Humble, 60 cents for Jennings, and for the first time posted a price on Caddo crude—60 cents.

Contracts are practically the same in all Texas districts, from 73 to 75 cents, but some of the fuel oil dealers are bidding above these figures. All contracts are for a thirty-day period, the sixty and ninety day form having been practically discontinued. It is reported that the Southern Pacific purchased 250,000 barrels of Jennings oil last month. The price is given as 72 cents on the field. The Higgins Oil and Fuel Company has purchased approximately 50,000 barrels of crude, and the Commercial Oil Company is said to have bought 100,000 barrels from the Sun company for Humble delivery. The Sun company is drawing on its earthen stocks in that district to supply the oil.

The gross output of all districts in the Gulf Coast region on the last day of November was estimated at 50,225 barrels, against 50,375 barrels on the last day of October. Texas districts were credited with 32,250 barrels on November 30, against 30,175 barrels on October 31, an increase of 2075 barrels. Saratoga shows an increase of 1200 barrels, Humble 500 barrels, Batson 450 barrels, Spindletop 200 barrels, and Sour Lake and Dayton a decline of 50 and 25 barrels, respectively. Jennings was credited with a total yield of 17,850 barrels on November 30, against 20,000 barrels on October 31, a decrease of 2150 barrels. Welsh is making about 125 barrels.

Development work continues unabated in Texas and Louisiana districts. Saratoga is making the best showing. Ten wells were completed in November for a total new production estimated at 1295 barrels, or nearly equal to the Jennings district in the matter of new output, which was put at 1900 barrels for the month. Batson brought in 825 barrels of new production in November from four completions, and Spindletop followed with approximately 625 barrels from five completions, four producers and one dry. There is considerable work going on in the last named field. Thirteen wells were drilling on the last day of November, representing a greater amount of new work than in any other Texas district. Humble has twenty wells on the drilling list on the close of the month, but eight are shut down in what is believed to be permanent suspension. The J. M. Guffey Petroleum Company brought in a well about midway between the Higgins pump station and the railroad tracks at Spindletop, good for a little over 400 barrels a day under the pump. Ennis, Park and others completed a 75-barrel well about midway between the Guffey well and the tracks and have started development work in that section of the field. One well is drilling and two locations have been made, one by the Guffey company. It looks as if additional production will be

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obtained in this portion of the field. W. G. Park No. 2, close to the new well, has been a small producer for a long time. The showing of all the districts on the last day of November indicates the output of the present month will equal if not exceed the yield in November.

New production in November in all Southeast Texas and Louisiana districts totaled 5080 barrels, from 38 completions, 34 producers and 4 dry. This record is against 41 completions in October, 37 producers and 4 dry, with new production estimated at 11,770 barrels. The Jennings district was credited with 7750 barrels of the total amount. Sixty-eight wells were drilling on November 30, against 72 on November 14 and 62 on October 31. Eight wells are shut down at Humble. Nineteen locations were recorded on the last day of November, against 18 on November 14 and 23 on the last day of October.

Gross movement and consumption amounted to 2,044,578 barrels in November. Transfers of Jennings oil to Texas storage were small. The net requirements were not far from the foregoing figures. The gross output of all districts in the Gulf Coast region for the month was estimated at 1,464,000 barrels. Requirements in excess of production therefore were 580,578 barrels. The average daily requirements were 68,152 barrels, against an average daily production of 48,800 barrels, indicating a daily shortage of 19,352 barrels during November.

Port movement in November showed an increase of 101,976 barrels compared with October, when shipments amounted to 324,279 barrels. The November record was 426,255 barrels. Movement of other grades totaled 355,528 barrels in November, against 322,854 barrels in October, indicating an increase of 34,674 barrels. On November 26 the steamship Broadmayne sailed for Antwerp with 21,366 barrels of solar oil, 3477 barrels of No. 2 black and 3348 barrels of winter black, consigned to the Continental Petroleum Company, loaded by The Texas Company.

Rail shipments of Texas crude in November amounted to 621,263 barrels, against 653,369 barrels in October, showing a decrease of 32,106 barrels.

Rail shipments of Jennings crude totaled 362,060 barrels in November compared with 442,840 barrels in October, indicating a decrease of 80,780 barrels. The movement to Plaquemine was estimated at 195,000 barrels in November, the same as recorded in the previous month.

The gross movement of crude from Texas and Louisiana districts in November amounted to 1,604,578 barrels, against 1,615,488 barrels in October, a decrease of 10,910 barrels. There was also a decline of approximately 200,000 barrels in refinery consumption.

The gross output of Texas and Louisiana districts in November was estimated at 1,464,000 barrels, against 1,549,000 barrels in October, indicating a decrease of approximately 85,000 barrels. The Texas districts show a decline of 18,000 barrels and the Louisiana fields 67,000 barrels.

JENNINGS.

Five wells were completed in the Jennings district in November, four in the wirst half, three producers and one salt water, with new production estimated at 1800 barrels, and one completion in the last half of the month, good for 100 barrels with air. This record is against nine completions in October, all producers, with new output placed at 7750 barrels.

The gross output of the district on November 30 was estimated at 17,850 barrels, against 17,400 barrels on November 14 and 20,000 barrels on October 31.

Ten wells were drilling on November 30 against nine on November 14 and ten on October 31. Six locations were recorded on the last day of the month, against two on November 14 and three on October 31.

Caffery and Martel will drill three wells on the Latreille farm along the Arnaudet line. One derrick is up and pipe bought for the three holes.

The following is a summary of field operations for the last half of the month, compiled on November 30:

WELLS COMPLETED.

Heywood Oil Company, Crowley No. 8, 100 barrels with air.

WELLS DRILLING.

Jennings-Heywood Oil Syndicate, Arnaudet No. 22, Latreille No. 24, 8-inch set and temporarily shut down, Arnaudet Nos. 25 and 26.

Heywood Oil Company, Crowley No. 9.

Crowley Oil and Mineral Company No. 25.

Producers Oil Company, Latreille No. 11.

Bass and Guffey, Martin No. 19 and Latreille No. 2.

T. H. Bass & Co. No. 1, Crusel farm.

Total wells drilling, 10.

DRILLING DEEPER.

Producers Oil Company, Latreille No. 2.

LOCATIONS.

Crowley Oil and Mineral Company No. 26, rigging.

Jennings-Heywood Oil Syndicate, Latreille No. 27, Arnaudet No. 28.

Caffery and Martel, Latreille Nos. 3, 4 and 5.

Total locations, 6.

SUMMARY OF PRODUCTION.

	Barrels.
Jennings-Heywood Oil Syndicate	6,500
Ziegler & Co.	2,000
Bass and Guffey	2,600
Producers Oil Company	2,000
Crowley Oil and Mineral Company	1,200
Heywood Oil Company	1,100
Shippers Oil Company	1,000
Kneipp Company	500
Evangeline Oil Company	300
Benckenstein, Caffery and Martel	350
Jennings Oil Company	300
Total on November 30	17,850

FIELD NOTES.

The Jennings-Heywood Oil Syndicate air plant is working in a satisfactory manner. It is complete with the exception of two L. D. and G. machines, which have not yet arrived.

HUMBLE.

Eleven wells were completed in the Humble district in November. Six were finished in the first half, five producers and one dry, with new output estimated at 140 barrels. Five were completed in the last half of the month, all producers, with new production estimated at 215 barrels, or a total of approximately 355 barrels for the month. This record is against nine completions in October, six producers and three dry, with new output put at 285 barrels.

The gross output of the Humble field on the last day of November was estimated at 7000 barrels, against 6500 barrels on October 31.

Twelve wells were drilling and eight shut down on November 30 and three old holes going deeper. This record is against seven drilling and eight shut down on November 15. Four locations were recorded on November 30, one new and three old, against six on November 14.

Following is a summary of field operations for the last half of the month, compiled on November 30:

WELLS COMPLETED.

Starlight Oil Company No. 4, Holmes, pumping 100 barrels.

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Harper and Hurst No. 10, Wren, pumping 10 barrels.

Neils Esperson No. 13, Moore 4 acres, pumping 10 barrels.

Ninety-Nine Pumping Company No. 18, Busch 6 acres, pumping 75 barrels.

W. W. Fondren No. 9, Cherry, pumping 20 barrels.

Total new completions, 5. New production, 215 barrels.

WELLS DRILLING.

Moonshine-Producers No. 10, Long two acres.

Moonshine-Producers No. 60, Landslide, down about 1185 feet.

Moonshine-Producers No. 67, Landslide, down about 275 feet.

Tom Ward No. 7, Hirsch, down about 825 feet.

E. V. and J. F. O'Neal No. 9, Weed, down about 945 feet.

Ball and Carden No. 5, Mason.

Northwest Oil Company No. 10, Hermann, awaiting cable tools.

Northwest Oil Company Nos. 14, 15 and 16, Hermann.

Osborne & Co. No. 2, Long, down about 765 feet.

Carroll Oil and Gas Company No. 5, Stevenson (eastern extension), down about 1470 feet.

Total wells drilling, 12.

DRILLING DEEPER.

John O'Neill No. 7, Cherry, with cable tools.

Neils Esperson No. 7, Moore 4 acres; down about 925 feet.

Neils Esperson No. 1, Hermann 500 acres, south of field; 1720 feet deep, cleaning out to go deeper.

Total drilling deeper, 3.

DRILLING WELLS SHUT DOWN.

Moonshine-Producers No. 36, Conway.

Moonshine-Producers No. 39, Fant and Freund.

Moonshine-Producers No. 47, Moore and West.

Baldwin & Co. No. 2, Echols.

Jack Ray No. 2, 10 acres of Landslide.

Devore Oil Company No. 4, Landslide.

John O'Neill No. 16, Cherry.

Neils Esperson No. 2, Hirsch, at about 1290 feet.

Total shut down 8.

LOCATIONS.

Moonshine-Producers No. 66, Dick 23 acres. New.

Hugh Hamilton No. 1, Garrett-Joy. Old.

Tom Ward No. 8, Hirsch. Old.

W. W. Fondren No. 10, Cherry. Old.

SPINDLETOP.

Five wells were completed in the Spindletop field in November. Two were finished in the first half of the month, one good for 150 barrels, and the other is in trouble. Three were completed in the last half of November, one good for 400 barrels, another for 75 barrels, and the third a plugged hole. New production for the month is put at 625 barrels. This record is against 4 completion in October, all producers, with new production estimated at 580 barrels.

The feature of interest at Spindletop is the 400-barrel well of the J. M. Guffey Petroleum Company, located about midway between the Higgins pump station and the railroad tracks. It is the best well in the field. The initial output was about 250 barrels, but it gradually increased until it reached 400 barrels, and makes even a little more than that figure. About midway between this well and the tracks Jack Ennis, W. G. Park and others have completed No. 5, making about 75 barrels, after starting off at about 150 barrels. This development has stimulated work in that part of the field, one well drilling and two derricks up, all bunched. The new Ennis-Park well is close to old No. 2, a small producer.

The gross output of the district on November 30 was estimated at 3100 barrels, against 2900 barrels on November 14 and 3100 barrels on October 31.

Thirteen wells were drilling on November 30, against 14 drilling on November 14 and 13 on October 31. Six locations were recorded on November 30, against 3 on November 14 and 6 on October 31.

Following is a summary of field operations for the last half of the month, compiled on November 30:

WELLS COMPLETED.

J. M. Guffey Petroleum Company No. 67, Gladys City, about midway between Higgins pump station and the railroad; 400 barrels.

J. M. Guffey Petroleum Company No. 32, McFaddin, near Keith-Ward; plugged.

Ennis, Park and others No. 5, Cissel, about midway between Guffey No. 67 and tracks, or about 1500 feet south of depot and 100 feet east of right of way; 75 barrels. Started off at 150 barrels.

Total new completions, 3. New production estimated at 475 barrels.

WELLS DRILLING.

Abeel and others, Keith-Ward.

Lehman and others, Keith-Ward.

Abercrombie and Wiess, Keith-Ward, drilling in with cable tools.

Cush Wiess, old Spindletop Oil Company strip of Keith-Ward, setting strainer.

J. W. Henderson, McFaddin, near Keith-Ward.

F. D. Smith & Co., near Heywood lease.

Meyer Brothers, old National Oil and Pipe Line Company lease, down about 800 feet in hard rock.

Unity Oil Company No. 2, National Oil and Pipe Line Company lease.

W. G. Park No. 2, Spindletop Heights subdivision, about 700 feet. Near No. 1, making about 100 barrels.

J. M. Guffey Petroleum Company No. 68, block 39, Gladys City.

Ennis, Park and others No. 6, Cissel.

Davenport-McCarley and others, McFaddin, Wiess-Kyle subdivision, block 22.

Col. T. C. Stribling and others, about 600 feet northwest of field toward Higgins tank farm.

Total wells drilling, 13.

LOCATIONS.

J. M. Guffey Petroleum Company No. 69, 75 feet north of Ennis-Park No. 5.

Ennis, Park and others No. 7, Cissel; derrick.

Unity Oil Company, National Oil and Pipe Line lease; derrick.

Randall Silverman and others, about 100 feet north of Guffey No. 68; building derrick.

Davenport-McCarley and others, Denver-Beaumont Oil Company lease, near the old Sturm well.

Davenport-McCarley and others, McFaddin.

Total locations, 6.

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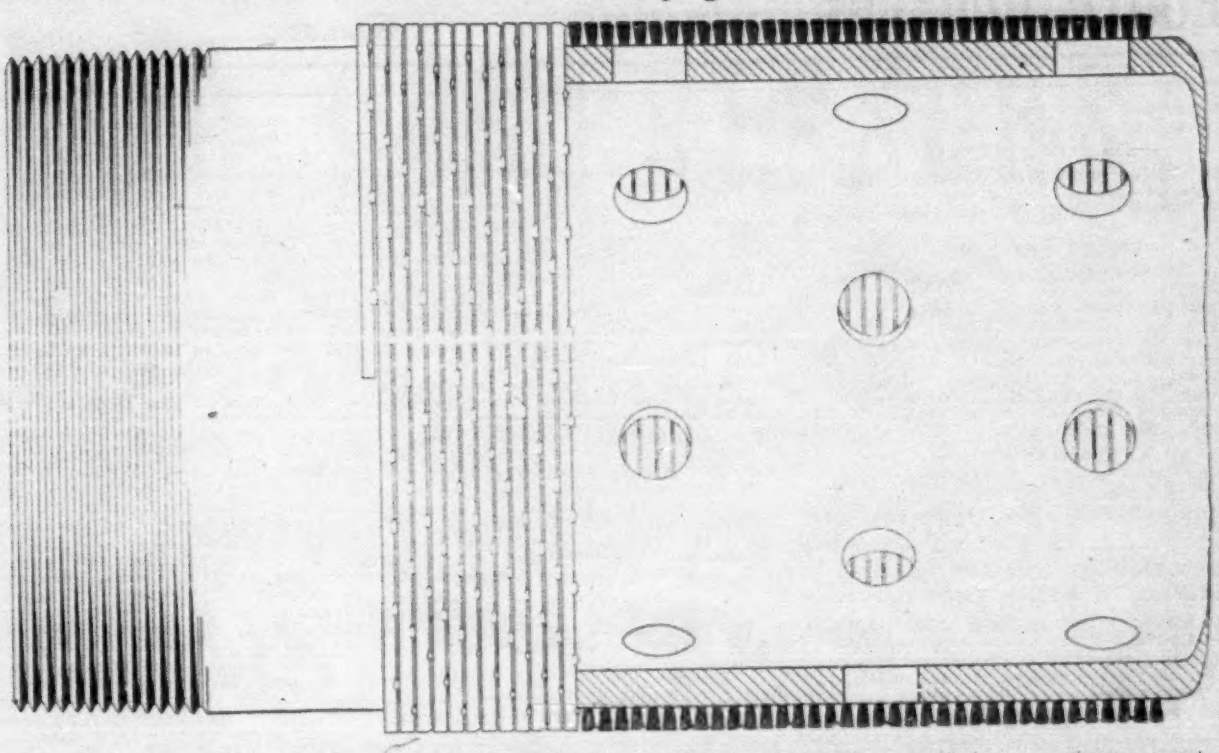

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SARATOGA.

Ten wells were completed in the Saratoga district in November, all producers, with new production for the month put at 1295 barrels. Five were completed in the first half of the month, with new output estimated at 400 barrels, and 5 were finished in the last half of November, with a total yield estimated at 895 barrels. This record is against 6 completions in October, with new production estimated at 1375 barrels.

The feature of interest is the completion of Rio Bravo Oil Company No. 232, near the center of the west line of the J. F. Cotton survey. The well came in on the 22d, flowing about 400 barrels, and increased the output to 700 barrels in 36 hours. It was making 600 barrels on the last day of the month. The gross output of the district on November 30 was estimated at 8700 barrels, against 8100 barrels on November 14 and 7500 barrels on October 31.

Ten wells were drilling on the last day of the month, against 8 drilling on November 14 and October 31. Three locations were recorded on November 30, against 5 on November 14 and October 31.

Following is a summary of field operations for the last half of the month, compiled on November 30:

WELLS COMPLETED.

Rio Bravo Company No. 232, near the center of the west line of the J. F. Cotton survey, came in on the 22d, flowing about 400 barrels, and within 36 hours increased to 700 barrels, and is now flowing at the rate of 600 barrels.

J. M. Guffey Petroleum Company No. 12, B. B. B. and C., pumping 75 barrels.

Britton Oil Company No. 5, Deutser, pumping 100 barrels.

Britton Oil Company No. 6, Smith-Crawford-Sonfield, pumping 100 barrels.

Santa Fe Oil Company No. 14, pumping 20 barrels.

Total new completions, 5. New production, 895 barrels.

WELLS DRILLING.

Britton Oil Company No. 2, Smith-Crawford-Sonfield No. 7.

Rio Bravo Oil Company No. 233, near the center of the west line of the J. F. Cotton survey.

H. Hardie Robinson No. 5, Kirby 2 1-2 acres.

J. M. Guffey Petroleum Company No. 13, B. B. B. and C.

Sun Oil Company No. 5, Meider-Mayer, setting strainer.

Sun Oil Company No. 2, in block 42 of the Petty-Ogden 6-acre tract, shut down temporarily.

Producers Oil Company, Wiess No. 7.

Producers Oil Company No. 1, Teele, 300 feet south of the old No. 1, abandoned.

Daley Oil Company No. 1, International Oil Company lease.

Santa Fe Oil Company No. 13, bailing; indications are that it will make a good pumper.

Total wells drilling, 10.

NEW LOCATIONS.

Santa Fe Oil Company No. 15, Santa Fe farm.

Rio Bravo Oil Company No. 231, west line of the J. F. Cotton survey, near the center.

Sun Company No. 6, Meider-Mayer.

Total locations, 3.

BATSON.

Four wells were completed in the Batson district in November, all being producers, with total new output estimated at 825 barrels. One was finished in the first half of the month, good for 200 barrels, and three were completed during the last half, one flowing 500 barrels and the other two making 50 and 75 barrels respectively. This record is against 9 completions in October, all producers, with new production estimated at 370 barrels.

The gross output of the district on November 30 was estimated at 7300 barrels, against 6900 barrels on November 14 and 6850 barrels on October 31.

Five wells were drilling on the last day of November, against 11 on November 14 and 9 on October 31. No locations recorded.

Following is a summary of field operations for the last half of November, compiled on the last day of the month:

WELLS COMPLETED.

Paraffine Oil Company, Paraffine 40 acres; flowing 500 barrels.

Jack Ennis, Middlebrook lease; 75 barrels, pumping.

J. M. Guffey Petroleum Company No. 20, Choate; pumping 50 barrels.

Total new completions, 3. New production estimated at 625 barrels.

WELLS DRILLING.

Crosbie-Crosbie, Heywood lease.

J. M. Guffey Petroleum Company Nos. 59 and 60, W. D. Wing.

Sun Company No. 2, Spindletop Power Company lease.

Ada Belle Oil Company, Ed Prather lease.

Bob Allison, Sharp-Prather lease.

Total wells drilling, 5.

SOUR LAKE.

Three wells were completed in the Sour Lake district in November. One was completed a producer of 40 barrels in the first half of the month and two in the last half, one dry and another making about 40 barrels under the pump. New production for the month is put at 80 barrels. This record is against four completions in October, three producers and one dry, with new production estimated at 1410 barrels.

The Texas Company is now working four strings of tools in the Sour Lake field. On the last day of November ten wells were drilling, and no new locations. This is against seven drilling on November 14 and four on October 31. Two locations were recorded on November 14 and four on October 31.

The gross output of the field on November 30 was estimated at 6000 barrels, indicating no change. Following is a sum-

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mary of field operations for the last half of the month, compiled on November 30:

WELLS COMPLETED.

The Texas Cimpany No. 63, Texas farm, pumping 40 barrels.

The Texas Cimpany No. 64, Texas farm, dry.

WELLS DRILLING.

The Texas Cimpany Nos. 65, 66, 67 and 68, Texas farm.

Dodge Brothers and Daniels No. 1, Jackson.

Minor Oil Company, Simpson acre.

Minor Oil Company No. 13, Jackson.

Hardin County Oil Company, Oliver.

Gilbert Oil Company No. 21, Gilbert.

Young Oil Company No. 1, Gilbert.

Total wells drilling, 10.

ABANDONED.

The Texas Company No. 64, Texas farm.

C. E. Anderson & Son No. 2, Sour Lake Oil Company strip. Salt water at 1468 feet.

MOVEMENT OF OIL FROM PINE ISLAND TO BEGIN SHORTLY.

The movement of oil from Pine Island, in the Caddo district in northwestern Louisiana is expected to begin early this month. The pump station of the Louisiana Company, located on its 42-acre tract east of the Kansas City Southern tracks at Caddo City and connected with a six-inch line with Pine Island, is about completed and in shape to handle oil. Three 1200-barrel tanks are up at the station and three at the well on Pine Island. One 37,000-barrel steel tank will be finished in about three weeks and the grade for a second tank of the same size has been laid out and construction work will begin on the arrival of material. A fifteen-car loading rack on the Kansas City Southern is about ready for use.

Producers Oil Company No. 1 on Pine Island was drilled a little deeper, cleaned out and bailed two weeks ago. It started flowing at the rate of about 150 barrels a day, gradually increasing its output. It is now making about 250 barrels, flowing by heads at intervals of ten minutes, still demonstrating a slight tendency toward a further increase. The oil is 20 gravity, very dark, and contains no water. The Louisiana Company has posted a credit balance quotation of 60 cents on Caddo crude.

Development work in the Caddo district is proceeding slowly. Producers Oil Company No. 2 on the Texla Oil Company 80-acre tract in section 32, on which No. 1 is located, is drilling at 225 feet. The same company has started drilling No. 1 on the Harrel 204 acres in section 30 and is rigging for another well on the Heilperin and Liebman 80-acre tract. The Producers Oil Company has approximately 2700 acres leased in this territory. Savage and Richardson have a rig up in Caddo townsite close to No. 1, but drilling has not yet begun. Work is still in progress on their No. 1 in an effort to make it a producer, but without results so far.

Contractor J. B. Fowler, for the Citizens Oil and Pipe Line Company, has completed a four to five-million-foot gasser one mile south of Ananias on the Gilbert farm. It was finished with table tools and is the first producing well completed with a standard rig in this district. Two other wells are drilling for the Citizens.

Cullinan and Jolly are drilling on the Hardy farm in section 18 and the Atlanta Oil Company is plugging away on its test about a mile west of the Savage-Richardson well.

There is some speculation in lands among lease men and agents, but no transfers or deals of particular importance have been recorded.

The Kansas City Southern railway is preparing to build a station at Ananias. Caddo City was first selected for the station, but the attitude of land owners caused the railroad to change its plans in favor of Ananias.

The Citizens Oil and Pipe Line Company has let a contract to a gas expert from Kansas to recover the wild gas well at Ananias. A derrick will be erected and an effort made to go down over the eight-inch casing, now intact in the hole, and undertake to get the well under control.

WEST TEXAS NOTES.

It is reported that a test by the Producers Oil Company on the Dick Sellman ranch in the northwestern part of McCulloch county has stopped at a depth somewhere around 1200 feet. The rig has been moved to a point several miles north in the direction of Milburn. W. M. Stephenson of Waco drilled two shallow wells about two miles north of Milburn, in Brown county, but got nothing except a showing of lubricating oil at about 107 feet. There was no gas.

The Santa Anna Industrial Company has a well down about 744 feet on the Beakley farm in McCulloch county, one-half mile northwest of Milburn. A showing of oil and gas was encountered at 150 feet and between 300 and 400 feet, and also at 705 feet. The well is now shut down in black sticky shale.

A test by the Santa Anno Company at Trickham, in Coleman county, on the Shield farm developed a succession of blowouts, one at 234 feet and another at 428 feet, which damaged the hole badly and the rig was moved over to the Guthrie farm, a mile and a half southwest where drilling is now in progress. The 428-foot hole in the Shields farm flows salt water constantly, with a showing of gas and oil. An effort will be made to complete the well after operations on the Guthrie land are concluded. The Guthrie farm test is down close to 1350 feet. Gas was encountered in this hole at 215 feet, a small showing of oil at 355 feet, strong gas pressure at 957 feet, showing of light oil at 978 feet, sale water at 984 feet, gas at 1120 feet quite strong, and salt water at 1155 feet. The last showing of gas threw the salt water over the derrick. When lighted the flame went 20 feet above the derrick with a roar that could be heard miles distant. It is now being used for steam-making purposes in operating the test. The last casing was set at 1118 feet after passing through 43 feet of black shale. It is said to be the purpose of the Santa Anna company to ream out the hole and lower the four-inch to shut off the salt water. The concern has leases on approximately 20,000 acres in the Trickham and Milburn districts, which is regarded as a good prospect.

Representatives of the Frisco railroad have been manifesting much interest in territory near Milburn, in Brown county, close to the shallow wells drilled by Stephenson. It is said that the Frisco will soon begin operations on a test on the Pierce farm near Milburn. It is about three or four miles from its tracks.

A test by Lawson, Cleary & Co. in the Piedras Pintos district near San Diego, in Duval county, had a blowout at about 600 feet, the well gushing mud, water and some oil for about thirty minutes. About 500 barrels of oil is now dammed up in the creek near the field.

The Standard Oil Company has bought approximately 450 miles of line pipe to be laid in India.

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PRESIDENT TYRRELL SECURES LEASES FOR THE HEYWOOD OIL COMPANY IN ILLINOIS.

Captain W. C. Tyrrell, president of the Heywood Oil Company, has received a letter from Robinson, Ill., stating that the test well drilled on section 28, township 5, north, and range 12, west, in Lawrence county, Ill., has been brought in a producer. This makes the leases secured by Captain Tyrrell for the Heywood Oil Company in Lawrence county last month look very good, inasmuch as the Heywood Company's holdings in the northeast corner of section 32 adjoin the southwest corner of section 28.

Captain Tyrrell spent ten days in Illinois last month, securing some 710 acres of leases in Lawrence and Crawford counties. The leases were purchased for the Heywood Oil Company and are the property of that company. They are distributed at follows: In Lawrence county, 80 acres in section 32, township 5 north and range 13 west; 120 acres in section 31, same township and range; 80 acres in section 7, same township and range; 60 acres in section 11, same township and range; 120 acres in section 35, same township and range; 40 acres in section 36, same township and range; 40 acres in section 26, same township and range, and 70 acres in section 25, same township and range; total in Lawrence county, 610 acres. The Crawford county property comprises 100 acres in sections 10 and 11, township 6 north, range 13 west. All of the leases are in a direct line with development, and are considered practically sure territory. Captain Tyrrell expects to begin development in the spring. Some of the wells in Crawford county have shown a capacity of 1000 barrels. There has been no opportunity to test their staying qualities, as the field is developed to a point far in excess of present facilities to care for the oil. It is estimated that Illinois could produce 70,000 barrels a day, of which the Ohio Oil Company is endeavoring to take 15,000 barrels a day. In Crawford county one operator has thirty-two wells completed, and rigged to pump, but is not operating any of them. This custom has been generally followed in the field. Wells are shot before the drilling rig is removed, then equipped for pumping and allowed to stand, awaiting the day when the pipe line people can handle the output. The price is now 64 cents.

In Crawford county the sand is found at a depth of about 1000 feet. Drilling costs $1 a foot, and the pipe about $600 for each hole. Ten-inch is used to a depth of about 150 feet to shut off the gravel, and the wells are cased with 6 1-4-inch. The expense of shooting is about $100. The total cost of a well completed and rigged to pump is about $2000. A power which can be bought for $1475 will pump eight to twelve wells.

It is probable that Captain Tyrrell will go to Tulsa this week to secure some leases for the Heywood Company in the Territory field.

SID KEOUGHAN COMPLETES A WELL IN WYOMING.

S. H. Keoughan, who contracted extensively in the Jennings field during the early days of development there, has completed a well for the Montana-Wyoming Oil Company at Garland, Wyo., in Big Horn county, near the Burlington branch running from Toluca to Cody, and west of the Shoshone river. At 600 feet an oil sand was penetrated to a depth of six feet, and Keoughan desired to drill deeper, but John D. Losekamp of Billings, president of the company, instructed him to stop and make a test of the well. Meanwhile another location has been made. A sample of the oil received by the Journal is identical in color to the light amber oil of the Pennsylvania fields, and looks as though it would test about 46 or 48 gravity. Garland is eighty miles south of the Montana line. The Montana-Wyoming Company has leases on ninety-nine quarter sections in Wyoming and Montana. There is a gas pressure of forty pounds in the well just completed. W. C. Tyrrell, Jr., of Beaumont is interested n the Wyoming development.

SKIDDOO OIL COMPANY.

The Skiddoo Oil Company of Houston, with a capital stock of "23" thousand dollars, has been incorporated by George Hamman, B. C. Dissen, M. P. Geiselman, Ed Prather, S. A. Emerson, David Rice, W. Y. Fuqua, J. S. Rice and Dan Japhet.

WILDCAT NOTES.

The J. M. Guffey Petroleum Company's test at Napoleonville, 60 miles west of New Orleans and 20 miles southwest of the Mississippi river, has a fishing job. The hole is in trouble and doubt is expressed as to its recovery.

A test on the Garland tract at Covington, La., is down about 2500 feet, with nothing doing. Another test in the same district is going down.

The Pruett Oil Company's test in section No. 122, H. and T. C. land, Liberty county, Texas, about nine miles northwest of Dayton, is dry and abandoned at 1200 feet. The rig was moved over on the Hagerty, where another hole is going down.

The Heywood Oil Company's test on the Pickett-Henry lease, south of Liberty, is down about 900 feet. The drill has been in a hard sand, showing oil, sulphur and salt, for 350 feet.

The Producers Oil Company test near Splendora, in Montgomery county, Texas, shows nothing encouraging.

It is reported that Nos. 1 and 2 at Hockley are shut down awaiting cable tools, while preparations are being made to drill a third hole about two miles south of No. 2.

C. W. Nelson and associates expect to get started soon on a test on the Hogg estate near West Columbia, in Brazoria county, about 600 feet northwest of Arnold No. 4, a well drilled in that district about three years ago, showing of heavy oil at 480 feet.

The Pace Oil Company is still grinding away in a test near Winnfield, La.

The Higgins Oil and Fuel Company, drilling in the center of the Oil Springs tract in the Nacogdoches district, struck an artesian flow at 380 feet, but handled it successfully, and the drill is now going deeper.

BRINGS BUSINESS.

Beaumont, Texas, Nov. 24, 1906.
Oil Investors' Journal,
Beaumont, Texas:
Gentlemen: Before placing our ad. in your Journal we were hustling for business; now we are hustling to keep up with the business.
Yours truly,
BROWN BROS.,
Well Contractors.
By K. W. Brown.

A rig has been shipped for the I. N. Knapp test about 20 miles south of Houma, La.

John Underwood and others are working a test at Castor Springs, La.

Preparations are being made for a test on the Kolls farm, near Belton, Texas, by the Bell-Penn Oil Company, composed of local and eastern men.

It is reported that work has started on a test at Sulphur Springs, about four miles north of Groesbeck, Texas.

The Mound Prairie Oil Company is working on a test at Mound Prairie, near Somerville, Texas.

The Sun Company is drilling a test at Waters, 11 miles north of Austin, in Travis county, Texas.

TESTS NEAR JENNINGS.

Charles Noble is rigged ready to drill a test near Jennings cemetery.

The Genesee Development Company is down about 1200 feet in a test near the refinery.

The Shippers Oil Company is at an interesting stage in its test on the Peter Unkel farm, about eight miles southeast of Welsh.

The Foley Oil Company is building a derrick at Egan for a test.

R. O. Deming of Oswego, Kan., has applied to the city of Denison, Texas, for a franchise to build and operate a system for the distribution of natural gas. This is the first step in what probably marks the beginning of a general plan to pipe Indian Territory gas to Texas cities. Indications are that territory around Madill, just north of the Texas-Indian Territory line, will develop into a gas field. Should it prove unproductive of paying output, supplies could be obtained further north. The proposed franchise at Denison fixes a maximum rate of 30 cents per 1000 feet. The price now charged in Denison is $1.50 per thousand.

KENNEDY TAX UPHELD, BUT PENALTY PROVISIONS KNOCKED OUT.

The legality of that part of section 13 of the Kennedy gross income law, which levies a tax of 1 per cent of the gross value of all oil produced, has been sustained in the Third Court of Civil Appeals at Austin, in the case of the Producers Oil Company et al vs. John W. Stephens et al, from Travis. The case came from a trial court. The penalty provisions of section 13, however, imposing a fine of not more than $100 or less than $50, for failure to file a report of gross receipts within thirty days, each thirty days constituting a separate offense, was not upheld. The court declared that the penalty was sufficiently disproportionate to the amount of the taxes as to render the penalties excessive within the meaning of the constitutional provision prohibiting the imposition of excessive fines which includes penalties. The court held that the lower tribunal did not err in not rendering judgment in favor of the state for penalties sued for.

The case includes the injunction proceedings brought by the Moonshine and Little Jap Oil Companies, and settles it as far as the section taxing oil production is concerned. The cases involving the constitutionality of the tax on wholesale oil dealers, refiners and oil tank cars are not yet decided. It is probable that applications for writ of error to the Texas supreme court will be filed in the Producers case to have the court pass on it. It may go to the supreme court of the United States.

The opinion was by Associate Justice Eidson. After giving a summary of the case, he concluded as follows:

"Appellants (oil companies) contend that said section violates the state constitution as to rate of taxation, equality and uniformity of the tax assessment of property in the county where situated, and as to equalization of values. This is based upon the idea that the tax imposed is an ad valorem tax. In our opinion the tax is not upon the gross products of the oil wells, but upon the occupation of owning, controlling or managing oil wells producing oil, and the amount of tax is measured by a percentage of the market value of the gross products. (State vs. Railway Company, 16 T. C. R., 909.) Nor does said section violate any provision of the United States constitution, as the legislature has the authority to single out and make classifications for the purpose of levying taxes; and all that is required in reference to equality and uniformity is that the tax imposed be equal and uniform upon the same class of subjects, and the section complained of complies with this requirement, as it operates on all oil producers alike. (State vs. Railway Company, supra.) And although this law imposes an occupation tax upon the oil producers who pay an ad valorem tax upon the real estate producing oil, it does not constitute double taxation not permitted by the law, as it is within the authority of the legislature to impose an ad valorem tax on the producing property of appellants and an occupation tax for the use of this property in the production of oil. (State vs. Railway Company, supra.)

"The act of the legislature embracing the section under consideration became effective April 17, 1905, and the court below properly gave it effect from that time. (State vs. Railway Company, supra.) The court below did not err in not rendering judgment in favor of the state for the penalties sued for, as the amount of the penalty is sufficiently disproportionate to the amount of the taxes to render the penalties excessive within the meaning of the constitutional provision prohibiting the imposition of excessive fines, which includes penalties. (State vs. Railway Company, supra.)

"We notice that the judment in this case is in favor of the defendants, who are the comptroller, attorney general and treasurer of the State of Texas, and the county attorney of Travis county. The pleadings ask for judgment in favor of the State of Texas, and the law makes the tax a state tax; hence the judgment should be in favor of the State of Texas.

"The judgment of the court below will, therefore, be corrected and reformed so as to recite a recovery by the State of Texas of the amounts therein stated, instead of a recovery by the defendants of said amounts, and thus corrected and reformed, the judgment will be affirmed."

THE WATERS-PIERCE CASE GOES OVER TO MARCH TERM OF COURT.

Austin, Texas, Dec. 2.—(Special.)—A continuance was granted on November 30 in the case of the State of Texas vs. the Waters-Pierce Oil Company, wherein the state seeks to cancel the permit to do business in Texas of the Waters-Pierce Oil Company and collect penalties exceeding five million dollars. Originally the case was called and set for trial for November 26, so far as the merits of the case were involved, but the court, on its own motion, fixed November 20 as the date to commence the arguments on the law points at issue and have them settled as far as possible before the cause should come on to be tried on its merits. By virtue of the continuance the case will not come up until the next term of court, which will be in March. An exact day will be set on the first day of the new term and the case probably will be ready for trial.

The continuance came as a result of the efforts of the defendant oil company, as the state announced ready for trial and was prepared to proceed.

When the court opened on November 20 Judge Victor L. Brooks was presiding, and he found before him as representatives of the state Attorney General Davidson, Special Assistant Attorney General Lightfoot, who has secured nearly all of the evidence the state is said to possess against the oil company; County Attorney John W. Brady of Travis county and R. L. Batts of the local law firm of Gregory & Batts, who have been specially retained to assist the state in the prosecution. On the opposing side of the table sat John D. Johnson, the general attorney for the Waters-Pierce Oil Company and well known in the history of that company and its public connections; Judge Henry S. Priest of St. Louis, also of counsel for the Waters-Pierce company and a former federal judge under President Cleveland, a democrat; Judge George Clark of the law firm of Clark & Bollinger, Waco, general attorneys in Texas for the Waters-Pierce Oil Company, and Robert L. Penn and Thomas B. Cochran of the law firm of Cochran & Penn of Austin, employed as special counsel to assist in the defense.

A forecast of what may be expected in the way of sensational evidence when the case goes to trial is made possible by the demand made by the attorney general that the defendants produce on trial certain documents and papers, same referring to amounts of money alleged to have been paid in 1900 and 1901 by H. Clay Pierce to Joseph W. Bailey, United States senator from Texas. In the demand the state gives the numbers of checks, date of payment of same, ledger record number containing account of same, and folio number of letters received relative to payments to Senator Bailey. Senator Bailey has taken cognizance of the document by declaring that the vouchers and checks mentioned therein are forgeries, if they exist at all. It will be necessary for the state to prove the existence of the checks and transactions. This the attorney general declares he is prepared to do.

The hearing on the preliminaries became quite interesting about an hour before the continuance was granted on Friday afternoon, November 30. After the defendant filed its motion for a continuance, setting up new matter in the state's amended petition, the state was given time to answer and did so by attempting to show that the matter pleaded had been in the office of the company at St. Louis and that by the production of the books and papers it could be proven, and only that way; hence if it was untrue, the books and papers of the company would disclose that fact and exonerate the company. In order to show that such matters were of record in the head office, John D. Johnson was suddenly transformed, by action of the state, from a defending attorney to a witness and he was closely questioned under oath by Mr. Batts, who finally termed him a "most unwilling witness," who made enough admissions to stay any continuance. Mr. Johnson was at all times most deliberate in his answers, remembered very little about the matters asked about and declared he was entirely ignorant of some things. He did admit, however, that he knew of rebates having been given by the company, and that they were decided upon by the executive committee of the corporation, but denied that he passed upon them in every instance and could remember no particular instance where he had approved or rejected a proposed rebate. Mr. Johnson also admitted the existence of the old trust agreement, but stated that it was made years before the new or present Waters-Pierce Oil Company was in existence, and that any understanding or connection the old Waters-Pierce Company had with the trust agreement was completely and entirely severed by its liquidation, and that the new company had not re-entered the compact.

When the case was called the state found in opposition to its petition pleas in abatement, general demurrer and special exceptions. The plea in abatement set up a misjoinder of actions, charging that the state pleaded that the company was re-admitted as a result of fraudulent acts, that it had been guilty of violations of the anti-trust law in forming conspiracies to destroy trade and stifle competition and has misused its corporate authority in the State of Texas by such acts. The court held there was no misjoinder and overruled the plea in abatement, and he made the same ruling as to the general demurrer. There were over one hundred special exceptions argued and most of them overruled. The few sustained went to that part of the petition alleged to be too general or where construed to be conclusions rather than statement of fact, among them being the allegation wherein it was asserted that Henry Clay Pierce had been restored to the presidency of the Waters-Pierce Oil Company because of his alleged political influence, and that he had come into the state with large sums of money to secure the readmittance of the company, and that he had made a false affidavit in securing the readmission of the Waters-Pierce Oil Company. The exceptions having been sustained and those parts of the petition stricken out, the state immediately repleaded and set out the same things but more specifically giving the facts, and another set of exceptions and demurrers to the amended petition were overruled and the matter now stands and must be answered by defendant.

Following the overruling of the exceptions the defendant moved to suppress forty sets of depositions taken by Judge Lightfoot in the states of New York, Ohio, Illinois and Missouri. Among them was that J. P. Gruet, former secretary of the Waters-Pierce Oil Company, who is alleged to have made some important disclosures from the standpoint of the plaintiff, the State of Texas. His deposition was objected to on the ground that the answers were not sufficiently responsive. The others were opposed because of the alleged lack of time to file cross-interrogatories and that the statutory notice was not given of the time and place of taking same. The court refused all motions, and all depositions offered by the state stand as evidence to be read and considered as such when the case is tried.

The law points being thus disposed of, the case came up on its merits and the state announced ready, but the defendant asked for a continuance, which was vigorously opposed. It being the appearance term of the court, and it having been only two months since the petition was filed, and because of the plea of the defendant that it had not time to meet the charges in the plaintiff's amended petition, the motion for a continuance was granted and the case goes over to the March term.

Before the case is called the legislature will have been in regular session about a month. It is predicted that a movement will be launched in the legislature to investigate the political phase of the case.

On and after January 1st, 1907, the subscription price of the Oil Investors' Journal will be $2.40 a year. All new subscriptions and renewals received before January 1st will be entered at the old rate $ 2 a year

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(Signed) "A. C. LESLIE."

MORE INDICTMENTS AGAINST THE WATERS-PIERCE.

The federal grand jury at St. Louis has found two indictments for a total of seventy-two counts against the Waters-Pierce Oil Company, charging it with having accepted rebates and discriminated in illegal freight rates on shipments of oil in violation of the Interstate Commerce law and the Elkins act. The maximum penalty on conviction of all counts would be $1,520,000.

One of the indictments contains twenty-one seperate counts, each charging that the Waters-Pierce Company at stated times shipped carloads of oil from St. Louis to Alexandria, La., at less than the tariff rate, using the lines of the Missouri Pacific railroad.

It is alleged that up to July 1, 1906, the Missouri Pacific continued to carry the shipments of the Waters-Pierce Company at the rate of 25 cents per hundred pounds, while its competitors were compelled to pay a 30-cent rate. Some of the shipments of the Waters-Pierce Company were carried, it is alleged, at 23 1-2 cents as against the 30-cent rate charged competitors.

The second indictment contains fifty-one counts. Each count alleges that a carload of oil was shipped by Waters-Pierce over the Missouri Pacific lines to Alexandria, La., thence over the Southern Pacific to eleven different towns in Louisiana at less than tariff rates filed by the roads with the Interstate Commerce Commission.

M. A. Earseman of Pittsburg, Pa., was in Beaumont during the latter part of last month, looking over the possibilities of development in the Gulf Coast region. Mr. Earseman contemplates a general tour of the oil fields of Texas and Louisiana and Indian Territory.

J. S. Cullinan and Arnold Schlaet, president and vice president, respectively, of The Texas Company, arrived in Beaumont from Indian Territory on November 27. Mr. Schlaet will remain here for several days.

Herman Kountz, banker of Omaha and a member of the New York banking house of Kountz Brothers, died at Watkins, N. Y., November 20, where he had gone in search of health. He was interested in many Texas enterprises. The firm of Kountz Brothers has holdings at Sabine Pass and has been interested in the oil industry since the boom days.

The Southern Pacific railroad has appropriated money to drill 72 wells in California and five in Texas in the fiscal year.

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INDIAN TERRITORY THE CENTER OF INTEREST.

These be interesting days in the southern extension of the Indian Territory field, of which the city of Tulsa is the center. Not that any great amount of development work is under way, or that the boom spirit is present in any form. But there is something doing, and it seems to be in the very air. The pipe line projects of the Mellon interests and of The Texas Company have injected new spice into the situation. Operators who were skeptical a month ago as to the probability of these propositions being carried out have had to discard their doubts. In the last three years several pipe lines to the Gulf have been worked out on paper, and talked about in the newspapers, but none of them materialized. Past failures of this character induced skepticism, and it has required the presence of the Texas interests on the ground, and the visible demonstration of preliminary steps toward actual construction, to convince the Territory people that they are to have an outlet for their oil to the Gulf coast. Surveying crews are running the course of the lines to Texas, pipe, pumps and tankage have been ordered. Meanwhile, in order to get a supply of Territory crude for their Port Arthur refinery at the earliest possible date, the Mellon interests are now installing a gathering system in the Glenn field, below Tulsa, and will build from 500,000 to 1,000,000 barrels of steel tankage in the district as rapidly as the work can be done. Oil will be shipped in solid trains, running as special fast freights, from the loading station at Kiefer, on the Frisco railroad, west of the field, to the refinery at Port Arthur. It is the intention to handle from 4000 to 5000 barrels a day in this manner, pending the completion of the pipe line from the Territory to connect at Sour Lake with the existing trunk lines leading to Port Arthur.

The Texas Company has made no official announcement of its plans, but it is known that this company has perfected its arrangements for the construction of a line to join its present pipe line system at Humble, affording facilities for the delivery of oil to tidewater and its refineries at Port Arthur and Port Neches. The Texas Company's line, as planned, will touch the outskirts of the city of Dallas, and will also traverse the Corsicana district.

At present the only outlet for the Glenn production is through the Prairie Oil and Gas Company's lines, running north and then east and connecting with the Standard's lines to Whiting, Ind., and the Atlantic seaboard. The Prairie company has been handling, from the entire Mid-Continent field, about 64,000 barrels daily. The Glenn pool alone is capable of producing 30,000 to 40,000 barrels a day, and in another fifteen days its capacity will perhaps be increased by 10,000 barrels. The Prairie company has been doing the best it could with its present facilities, and while it has aimed to handle 6000 to 7000 barrels a day, frequent breakdowns on account of high pressure on the lines have cut the average to probably 5000 barrels a day. The existing six-inch line which affords the only outlet for production in the Tulsa district is altogether inadequate. The next month or two will see the Prairie company's facilities largely increased through the laying of an eight-inch line to the Ramona district, where there is tankage to accommodate a part of the Glenn pool surplus, and also by the construction of tankage at Jenks, immediately north of the Glenn field. The Prairie company will employ from 200 to 300 men on the new work in the Tulsa district. Grading, pipe laying and tank crews are now at work for the Mellon interests. Doubtless The Texas Company will start on its preliminary construction within a few weeks.

The outlay involved in the construction planned in connection with the pipe lines to the Gulf will exceed $10,000,000. Tulsa will be benefited perhaps more than any other one point by reason of the large amount which will be expended in that locality in the near future for labor and supplies. It seems likely that before the first of the coming year there will be employment for 600 men in the Tulsa district, in addition to the number now at work.

All this activity, present and prospective, is having its effect. In the coming year Tulsa is destined to be about the livest place on the oil country map.

THE DECLINE IN GULF COAST PRODUCTION.

Both Texas and Louisiana will show a heavy decrease in crude oil production this year, as compared with 1905, when Texas ranked second and Louisiana eighth in the list of petroleum producing states, with a combined net output of 37,000,000 barrels. The falling off has been due to the failure to open up new pools. In 1905 the immense yield of the Humble district and the steady gusher production at Jennings, together with the output of the older districts, made a new record in the Gulf Coast region. But this year there have been no discoveries that have materially swelled output, and even if a pool should be opened up before the end of the year it would not materially increase the year's output. At this time it looks as if the production of the Gulf Coast fields for 1906 will be in the neighborhood of 20,000,000 barrels. While the output has declined, prices have advanced, and from an average market of 30 to 40 cents which prevailed at the close of 1905, the figures have risen to 65 and 75 cents. Stocks of crude, which were estimated at 20,000,000 barrels on January 1, have been reduced to about 12,000,000 barrels, with the prospect of another million being taken off before the end of the year. That new and prolific pools will be discovered along the Gulf Coast no one doubts. The pipe line companies are in better condition to care for a new field than they have ever been before. Needless to say, the fuel oil consumers who are paying 75 cents a barrel for oil on the cars, will welcome the next pool.

THE DAILY QUESTION.

The daily question with Coal Oil Joe: "How much *more* are they going to dig up on me?"

A CHRISTMAS DIVIDEND OF $10 A SHARE FOR HEYWOOD OIL COMPANY STOCKHOLDERS.

On good authority it is stated that the Heywood Oil Company's quarterly dividend, to be paid this month, will be 10 per cent, or $10 a share. The company's capital is $800,000, composed of 8000 shares of the par value of $100 each. The $80,000 that the company will distribute among its shareholders next week will bring the total of dividends paid by the company this year up to 21 per cent, or $168,000. In the five years that the company has been in existence it has paid 20 dividends, representing 61 per cent of the authorized capital, or $488,000. The December dividend will be the twenty-first and will add 10 per cent to the amount paid to date, making 71 per cent in all, or $568,000 disbursed to stockholders since October, 1901.

The Heywood Company has paid dividends every year since it was organized in 1901. It was among the first to enter the Beaumont field. In the last two years it has produced an immense amount of oil in the Jennings district, and now has a comfortable surplus in storage in that field, besides its daily production from wells on the Arnaudet and Crowley Oil and Mineral properties. Last month President W. C. Tyrrell secured 710 acres of leases for the company in Crawford and Lawrence counties in the Illinois oil field. It is probable that holdings will also be obtained in Indian Territory, thus giving the company a foothold in both of the fields which are now centers of interest among oil operators.

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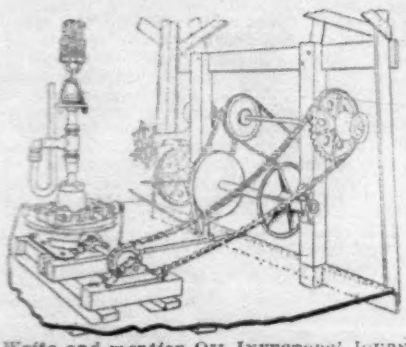

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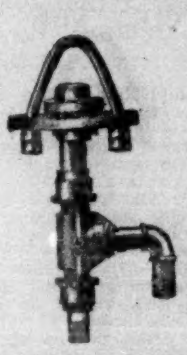

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TULSA NOW THE OIL CENTER

[Continued from Page 2]

comprising rights of way, etc., for the Mellon interests in connection with the Gulf pipe line. After Mr. Griffiths left Texas he was with the Wabash railroad, with headquarters in Pittsburg.

Captain H. Y. Arnold spent a week in Port Arthur and Beaumont, returning to Tulsa on November 25.

James R. Sharp came up from Duncan on November 21 and remained in Tulsa three days. Later he went to Shreveport, Beaumont and Houston. Mr. Sharp is drilling a test well at Duncan, on Wild Horse creek, 32 miles west of the Santa Fe company's oil development near Wheeler, which is 22 miles west of Ardmore. At last accounts the hole was 1200 feet deep. A sand similar to that found in the Santa Fe's deep test at Wheeler at a depth of 970 feet was penetrated at Duncan at 900 feet. The Santa Fe well is between 1100 and 1200 feet deep. A diamond drill is being used at Duncan.

D. C. Stewart, superintendent of the Prairie Oil and Gas Company, with headquarters at Bartlesville, and John Manion, assistant superintendent, went east with the body of John O'Brien, who died suddenly at Nowata on November 17. Mr. Stewart returned to Bartlesville on the 24th.

The plans and application for right of way for the gathering system being installed by the Mellon interests in the Glenn field were approved by the representatives of the government and by Chief Pleasant Porter of the Indian nation about the middle of the month, and were taken east by John F. Fisher to be submitted to Secretary Hitchcock. The secretary approved the papers and construction is now under way. Mr. Fisher will return to the Territory by way of Beaumont.

H. L. Wood, western correspondent for the Oil City Derrick, visited Caddo, Beaumont, Port Arthur and Humble during the early part of the month, sending in some interesting letters to his paper from these points. Mr. Wood lived in Texas before there was any oil industry in the state. He is the dean of the oil dope disseminators in the mid-continent region.

SUDDEN DEATH OF JOHN O'BRIEN.

The sudden death of John O'Brien, general superintendent of the Buckeye Pipe Line Company, of Lima, Ohio, at Nowata, fifty miles north of Tulsa, on the night of November 17, was a shock to his friends in this city, some of whom had seen him only a day or two before at Bartlesville. He appeared to be in the best of health. After the long drive from Bartlesville to Nowata he ate a hearty supper and at 11 o'clock went to bed. Fifty-five minutes later he was dead from heart failure, induced, it is thought, by an attack of acute indigestion. The body was taken east by Dr. E. A. McPherson, who was with Mr. O'Brien at Nowata; D. C. Stewart, division superintendent of the Prairie Oil and Gas Company, and John Manion, assistant superintendent, and was placed in the Newell mausoleum in St. Catherine's cemetery at Titusville, after appropriate services.

OIL MEN JUMP ON HITCHCOCK'S REGULATIONS.

Secretary Hitchcock's regulations as to oil and gas leases in the Indian Territory were under fire at Venita, Tulsa and Bartlesville last week before the senatorial committee which came out here to investigate conditions with a view to suggesting changes in the present laws that will work benefits to the largest possible number of those affected. The committee is composed of Senators Clark of Wyoming, Clark of Montana, Brandege of Connecticut, Long of Kansas and Teller of Colorado. Restrictions on the lands of Indian full-bloods and mixed bloods, taxation for various purposes, citizenship, the segregation of coal and asphalt lands, and the disposition of these lands were among the subjects investigated in addition to the matters affecting the oil industry. In the matter of the lands of Indians, the weight of the testimony heard by the committee was for the removal of the restrictions. In the matter of the coal and asphalt lands, the impression gained from the remarks of those who appeared before the committee was that these lands should be disposed of to responsible purchasers at a just valuation.

The form of oil lease required by the government was vigorously attacked. Various operators appeared before the committee to suggest changes, and at Tulsa a petition, embodying the ideas of the oil men as to modifications of the Interior Department's regulations, was submitted to the committee. The most objectionable feature of the existing regulations is the restriction against selling or transferring leases. Much criticism was also made of the requirement by the department of a showing of financial responsibility of not less than $5000 before permitting a leaseholder to commence development. It was argued that this restriction prevented many young men, who had brain, brawn and ambition, but not the necessary $5000, from making a start. Testimony was offered by government officials to show that the department had not always required the showing of financial responsibility and that there is a misapprehension on this point. The operators spoke for a form of lease more like that in use in the states, and also for the establishment of a branch of the Interior Department in the Territory, which will have authority to pass upon leases, etc., thus doing away with the necessity of sending papers to Washington, which involves much delay and inconvenience.

In the course of the hearing at Tulsa it was mentioned by E. R. Kemp that independent interests were contemplating the construction of a pipe line to the Gulf. Mr. Kemp named the Guffey-Gulf interests, and the committee called for their representative in order to get details. Captain Arnold was in Port Arthur, having been informed that the committee would not arrive in Tulsa until the 26th. His secretary, Harry Hanszen, appeared before the committee, however, and confirmed the report that the Mellon interests were arranging to lay an eight-inch line to Texas.

Oil and gas operators who appeared before the committee at Tulsa included M. H. Mosier, E. R. Kemp, W. P. Thompson, J. R. Campbell, G. C. Stebbins and Frank Gillespie. At Bartlesville G. C. Priestley, W. H. Johnson and Clint Moore appeared. The committee completed its work at Bartlesville at midnight on the 24th, and left for Washington.

PETITION FOR MODIFICATIONS.

Following is the petition for modification of regulations concerning Indian Territory oil leases prepared by the oil operators at Tulsa and presented by them, through M. H. Mosier, to the senate committee:

First.—The abrogation of the application for gas and oil mining leases in the Creek and Cherokee nations, designated as Form B, and approved by the department on May 22, 1906, and the restoration of the original application heretofore prescribed by the Secretary of the Interior, modified as follows:

Allowing an individual to hold in his own name lands not exceeding 4800 acres, less his proportionate share in the holdings of corporations, companies, associations or firms.

Second.—We request the abrogation of the ruling requiring each lessee to execute bond in connection with each lease.

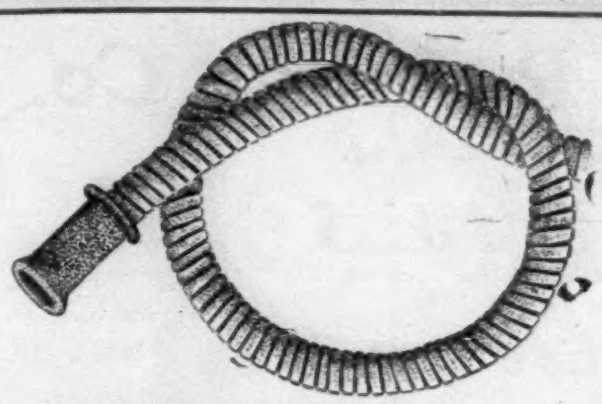
Third.—We request the abrogation of the ruling requiring certificate of banking officers, Form B.

Fourth.—We request that a condition and stipulation be placed in leases which may be hereafter taken, allowing the same to be assigned or sub-leased by the lessee unconditionally, except that the same shall not be assigned to any person or corporation who has approved lands aggregating 4800 acres.

Fifth.—We request that the following provision be struck out of Cherokee and Creek oil and gas leases, designated as Form B and promulgated by the Secretary of the Interior on the 22d day of May, 1906, as follows:

"And that violation of the lease and the regulations heretofore or hereafter prescribed by the Secretary of the Interior, respecting oil and gas leases in the Cherokee and Creek nations, shall render this lease subject to cancellation after ten days from receipt by..... of notice, in the discretion of the Secretary of the Interior, whose declaration or cancellation shall be effective without resorting to the courts and without further proceedings, and that the lessor shall then be entitled to immediate possession of the land."

Sixth.—We request that the provisions in the present form of lease giving the Secretary of the Interior the right, and obliging the lessee to abide by all rules and regulations which may be heretofore



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or hereafter prescribed be struck out, and that no provision in the lease shall give the Secretary of the Interior the right to destroy or change in the lease the existing contract between the parties, after once having been approved by the secretary.

Seventh.—We request that the following provision in oil and gas mining lease, Form A, Cherokee and Creek, approved by the Secretary of the Interior on May 22, 1906, be struck out, which provides that the lessee "shall not transfer, assign or sublet, by working or drilling contract or otherwise, or allow the use of the land leased, or any oil or gas in or under it, without first obtaining the consent of the Secretary of the Interior."

Eighth.—We request an absolute cancellation of the clause embodied in the leases similar to what is the form of leases used in other parts of the United States where oil is produced.

Ninth.—We request a change in the lease allowing the lessor to remain in possession of the same as long as oil or gas is produced in paying quantities, instead of having a definite period of fifteen years, as at present.

Tenth.—We further request that a commission be appointed to reside in the Territory who shall have final action upon the oil and gas mining leases.

Substantially the same petition was submitted to Secretary Hitchcock by the oil men last spring. H. S. R.

MID-CONTINENT FIELD SUMMARY FOR OCTOBER.

Tulsa, I. T., Dec. 1.—(Special.)—In the Mid-Continent oil fields in November there wha a decrease of 25 completed wells, an increase of 5695 barrels of new production, a decrease of 23 dry holes and gassers, and an increase of 17 rigs and 5 drilling wells.

Kansas completed 39 wells in November, 8 of which produced 85 barrels of oil, 27 were gassers and 5 dry holes. There are 32 wells drilling. In October the same districts completed 50 wells, 22 of which produced 272 barrels of oil, 19 were gassers and 9 dry holes, with 24 drilling wells at the close of the month.

In November the Cherokee nation completed 74 wells, had 4555 barrels new production, 8 dry holes, 3 gassers and 69 drilling wells. In October the same districts reported 84 completions, 2833 barrels of new production, 18 dry holes, 4 gassers and 52 drilling wells.

In November the Osage reservation completed one well, 150 barrels natural, and has 8 drilling wells, compared with 6 completions, 90 barrels of new production, 1 duster, 1 gasser and no drilling wells in October.

The Cleveland district and remainder of old Oklahoma report no completions in November. One well is drilling at Cleveland and about a dozen wildcats in various parts of the Territory. One or two delayed wildcats are drilling at Madill in the Chickasaw nation near the Texas line, and three wells are drilling at Wheeler, near Ardmore, for fuel oil and gas.

The total new production of the Mid-Continent fields in November was 14,575 barrels; total wells completed, 135; average output of new producers, 160 barrels, the highest yet recorded in the Mid-Continent region.

The Glenn pool of the Tulsa district, Creek nation, is the center of attraction and continues to enthuse new comers. In November 21 wells were completed there, with a total new production of 9790 barrels, with 3 dry holes, 1 gasser, and 16 rigs are up, and 20 wells drilling. In October the same district completed 23 wells, with 5680 barrels of new production, 6 dry holes, 5 gassers, and had 7 rigs up and 29 wells drilling. A well was drilled this week on the north line which showed only 10 barrels natural in five feet of lower pay under a break, which shows the pay sand is pinching out going west along the north line. A shot increased the production to 50 barrels the first 24 hours. A dry hole was also drilled in 32-18-12, a mile north of the wells in section 8, practically defining the north line of the pool. The dry hole in section 4-16-12 to the southwest makes three dry holes on the south line and five dry holes along the east line, and practically defines the pool on three sides. The test drilling in section 19-17-12, a mile west of the main pool and half a mile west and a mile south of the advance production in section 8 was dry at 1515 feet after passing through 45 feet of sand into a break. There is a chance to get the Glenn sand at a lower depth, but if the hole is dry it makes a western extension look rather uncertain. Four wells were completed during the week that started off at 600 barrels each, natural, but they were on inside territory and prove nothing. With 90 producing wells, the Glenn pool has a daily production of 40,000 barrels, and it is likely to be doubled.

(Figures in the foregoing summary are from the Oil City Derrick's report.)

LATE NOTES FROM TULSA.

Tulsa, I. T., Dec. 1.—(Special.)—George Schneider of Pittsburg offered $80,000 for the Nevada Berryhill 80 acres owned by the Galbreath people, with one well that started at 1000 barrels, but the offer was refused on the claim that $150,000 had been offered. Matthew Taylor of Pittsburg is reported to have paid $25,000 for a half interest in the Beacon Oil Company's 160 acres, with a 500-barrel well. The Beacon Oil Company was organized by R. A. Josey, formerly of Beaumont.

The Prairie Oil and Gas Company has two 35,000-barrel iron tanks started on its new tank farm at Jenks, eleven miles south of Tulsa, to care for the Glenn oil, where 25 tanks will be built at once. Its eight-inch line from Tulsa north to Ramona is also being laid.

E. A. Rider and associates are talking of a large refinery at Tulsa.

It is reported that the South Bosque Oil Company intends to do some development work after the first of the year in the field close to Waco.

GOVERNMENT SENDS SUBPOENAS IN STANDARD DISSOLUTION SUIT—TEXT OF THE PETITION.

Subpoenas for the defendants in the suit by the government against the Standard Oil Company have been sent out by the clerk of the United States court at St. Louis, where the federal petition was filed last month. The writs for John D. Rockefeller and six other officers and directors of the Standard Oil Company were sent to the United States marshal at New York City for service. The subpoenas for the seventy corporations and partnerships went to different districts in New York, Ohio, Pennsylvania, New Jersey, Kansas and other states.

The Security Oil Company of Beaumont and the Corsicana Refining Company of Corsicana are party defendants to the government's suit. Courtenay Marshall, secretary and treasurer of the former concern, has been served with subpoena commanding him to appear before the United States court at St. Louis on January 1, 1907, to answer the bill of complaint. No other official of the Security company in Beaumont was served a writ.

The government's petition, which contains 194 pages of printed matter, or about 100,000 words and an additional 84 pages of exhibits, consisting of by-laws and minutes of Standard Oil Company meetings, is probably one of the most interesting documents ever filed in the history of the Department of Justice. It gives the complete history and growth of the Standard Oil Company, showing the total capitalization of its alleged subsidiary concerns to be over $150,000,000. A resume of the petition follows:

That on or about the month of January, 1899, the individual defendants herein, having conspired and confederated together as aforesaid under said various arrangements, as herein alleged, and said trust agreement for the purpose of restraining trade and commerce among the states and territories of the United States, the District of Columbia, and with foreign nations, and for the purpose of monopolizing the said trade and commerce as aforesaid, did in continuation thereof, and for the purpose of making said combination, conspiracy and monopoly more complete and effective, conspire and confederate together, and with divers other persons and corporations, further to restrain the trade and commerce in petroleum and its products among the several states and territories of the United States, the District of Columbia and with foreign nations, in the transportation of crude oil by pipe line and by railroad in the purchase and refining of said oil and the shipment and sale of such oil and the products thereof and to monopolize the said trade and commerce among the several states and territories of the United States, the District of Columbia and with foreign nations, and for the purpose of carrying out said conspiracy and effecting said monopoly caused the stock owner-

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ship and control of all said corporations so engaged in said commerce as aforesaid and so held and controlled by said trustees under said unlawful trust agreement to be combined and merged under their management and control in the Standard Oil company of New Jersey (the name of which corporation had been previously been changed to the Standard Oil Company) in the manner following, to-wit:

That on or about the month of January, 1899, the said individual defendants caused the charter of the said company to be amended so that the business and objects of said company were stated as follows, to-wit: "To do all kinds of mining, manufacturing and trading business; transporting goods and merchandise by land or water in any manner; to buy, sell, lease and improve lands; build houses, structures, vessels, cars, wharves, docks and piers; to lay and operate pipe lines; to erect and operate telegraph and telephone lines and lines for con ucting electricity; to enter into and carry out contracts of every kind pertaining to its business; to acquire, use, sell and grant licenses under patent rights; to purchase or otherwise acquire, hold, sell, assign and transfer shares of capital stock and bonds or other evidences of indebtedness of corporations, and to exervise all the privileges of ownership, including voting upon the stocks so held; to carry on its business and have offices and agencies therefor in all parts of the world, and to hold, purchase, mortgage and convey real estate and personal property outside the State of New Jersey."

That the capital stock of the said company was at the said time increased from $10,000,000, which had theretofore since March 19, 1892, been the amount of its capital stock, to $110,000,000, divided into 1,100,000 shares of $100 each, of which 100,000 shares which had been issued and were then outstanding were declared to be preferred stock, and the balance of 1,000,000 shares was common stock.

That the powers conferred upon said corporation included all the powers to do the business of the various corporations under said unlawful trust agreement as aforesaid, and the object of forming said corporation was to acquire the stocks and control of each and all of said corporations engaged in like business, and for the purpose of operating and controlling said corporations and other corporations in the same manner as had been done by the individual defendants through said trust agreement in suppressing and restraining competition and monopolizing trade and commerce in petroleum and its products as aforesaid.

That a copy of the by-laws of said Standard Oil Company is hereto attached, marked "Exhibit 12," and made a part of this bill of complaint.

That from the time of the organization of said company to the present time the said individual defendants have been members of its board of directors and its officers, and have owned a majority of its stock and have dominated and controlled said combination for the purpose and with the effect of restraining and monopolizing the said trade and commerce as aforesaid.

That for the purpose of retaining control of all of said corporations so controlled under said trust agreement, the individual defendants caused all of the stock of said subsidiary corporations, so in the hands of said trustees, to be divided among the trust certificate holders, as hereinbefore more particularly alleged, and caused all of the stock of said corporations, so controlled by said trustees, to be exchanged for certificates of stock in the Standard Oil Company so organized under the laws of the State of New Jersey as a holding company, hereinafter known as the Standard Oil Company, in the following manner:

That some of said trust certificate holders had obtained their share of stock in the sub-companies, some of them still retained their liquidating certificates of assignment and some of the said certificate holders still retained their original certificates, and that all of the stock of the said subsidiary corporations was so transferred to the Standard Oil Company either through the exchange of the stock issued pursuant to said liquidation or through the exchange of liquidating certificates of assignment or the original certificates of the trustees; the exact amount of each which was so transferred to the Standard Oil Company your petitioner is unable to state, but alleges the fact to be that in one or the other of said modes all of the stock of said subsidiary corporation was merged into the Standard Oil Company, and that in the year 1899 there were issued by such process $97,250,000 of the certificates of common stock of the Standard Oil Company, and that there has since been issued from time to time a small amount of stock, so that in the year 1905 there were outstanding $98,338,300 of the common stock certificates of the Standard Oil Company, and during said year 1899, or subsequently, all of the preferred stock of the said Standard Oil Company was retired and none is now outstanding.

That at various times up to the present time (the exact times your petitioner is unable to state) the said individual defendants, in furtherance of said conspiracy, purchased or acquired, in the name of the Standard Oil Company, or in the name of individuals or corporations to be held for the benefit of the Standard Oil Company, all the stocks of various corporations and limited partnerships organized under the laws of various states and of foreign nations or sufficient of said stocks to secure a controlling interest in each of said corporations (except as hereinafter stated), and have from time to time caused the properties of certain of said corporations and limited partnerships to be transferred to other corporations so controlled by them and have organized various corporations under said laws from time to time, so that at the present time the said defendants control, direct and manage, for said unlawful purpose, the following named corporations and limited partnerships, created and organized under the laws of the states and with the capital stock set opposite the names of said corporations respectively:

Name and where organized.	Capitalization.
Acme Oil Co., New York.....	$300,000
American Lubricating Oil Co., New York	100,000
Anglo-American Oil Co. (limited), England	*1,000,000
Argand Refining Co., Ohio.....	Not known
Atlantic Refining Co., Pennsylvania	5,000,000
Baltimore United Oil Co., Maryland	500,000
Borne Scrymser Co., New Jersey	200,000
Buckeye Pipe Line Co., Ohio...	10,000,000

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Stamford, Texas, Nov. 19, 1906.
Oil Investors' Journal,
Beaumont, Texas:

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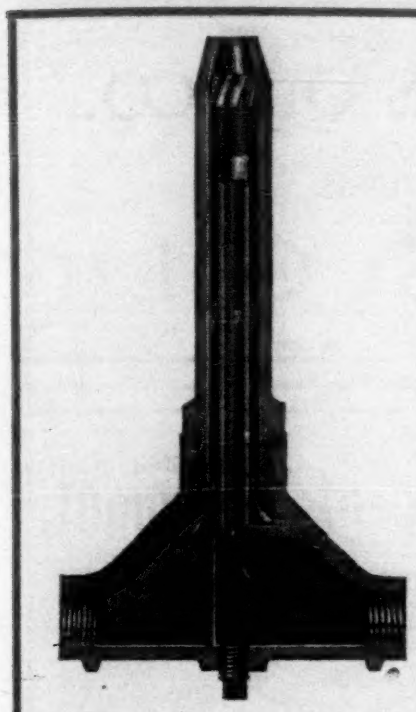

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Camden Consolidated Oil Co., West Virginia	200,000
Chesebrough Manufacturing Co., Consolidated, New York	500,000
Colonial Oil Co., New Jersey	250,000
Commercial Natural Gas Co., Pennsylvania	100,000
Connecting Gas Co., Ohio	500,000
Continental Oil Co., Iowa	300,000
Crescent Pipe Line Co., Pennsylvania	1,000,000
Cumberland Pipe Line Co., Kentucky	1,000,000
Eastern Oil and Gas Co., Ohio	5,000
Eclipse Lubricating Oil Co., Pennsylvania	Not known
Eureka Pipe Line Co., West Virginia	5,000,000
Florence Oil and Refining Co., Colorado	500,000
Franklin Pipe Co., (limited) Pennsylvania	50,000
Galena Signal Oil Co., Pennsylvania	10,000,000
Indiana Pipe Line Co., Indiana	1,000,000
Lawrence Natural Gas Co. Pennsylvania	1,000,000
Machoning Gas Fuel Co., Ohio	300,000
Manhattan Oil Co., Ohio	500,000
Mountain State Gas Co., West Virginia	600,000
National Fuel Gas Co., New Jersey	2,500,000
National Transit Co., Pennsylvania	25,455,200
New York Transit Co. New York	5,000,000
Northern Pipe Line Co., Pennsylvania	1,000,000
Northwestern Ohio Natural Gas Co., Ohio	2,775,250
Ohio Oil Co., Ohio	2,000,000
Oil City Fuel Supply Co., Pennsylvania	2,000,000
Oswego Manufacturing Co., New York	100,000
Pennsylvania Gas Co., Pennsylvania	2,000,000
Pennsylvania Oil Co., Pennsylvania	80,000
People's Natural Gas Co., Pennsylvania	1,000,000
Pittsburg Natural Gas Co. Pennsylvania	350,000
Platt and Washburn Refining Co., New Jersey	14,000
Prairie Oil and Gas Co., Kansas	2,500,000
Republic Oil Co., New York	350,000
Salamanca Gas Co., New York	30,000
Security Oil Co., Texas	3,000,000
Solar Refining Co., Ohio	500,000
Southern Pipe Line Co., Pennsylvania	5,000,000
South Penn Oil Co., Pennsylvania	2,500,000
Southwest Pennsylvania Pipe Lines Co., Pennsylvania	3,500,000
Standard Oil Company of California, California	6,000,000
Standard Oil Company of Indiana, Indiana	1,000,000
Standard Oil Company of Iowa, Iowa	1,000,000
Standard Oil Company of Kansas, Kansas	100,000
Standard Oil Company of Kentucky, Kentucky	1,000,000
Standard Oil Company of Minnesota, Minnesota	100,000
Standard Oil Company of Nebraska, Nebraska	1,000,000
Standard Oil Company of New York, New York	15,000,000
Standard Oil Company of Ohio, Ohio	3,500,000
Swan and Finch Co., New York	100,000
Taylorstown Natural Gas Co., Pennsylvania	10,000
Tidewater Pipe Co. (limited), Pennsylvania	625,000
Tidewater Oil Co., New Jersey	5,000,000
Union Tank Line Co., New Jersey	2,500,000
United Natural Gas Co., Pennsylvania	1,000,000
United Oil Co., Colorado	3,000,000
Vacuum Oil Co., New York	2,500,000
Washington Oil Co., Pennsyvalnia	100,000
Waters-Pierce Oil Co., Missouri	400,000

* Pounds sterling.

That as to certain of said companies, to-wit: Argand Refining Company and Eclipse Lubricating Oil Company, your petitioner is unable to state the amount of capital stock, but alleges that the same are controlled through ownership of capital stock by said Standard Oil Company.

That as to the Tidewater Pipe Company and the Tidewater Oil Company your petitioner is unable to state whether the defendants control all of the stock of said companies or not, but alleges that they do control the said companies by ownership of stock and through contracts for the division of business, as hereinafter alleged, and through other agreements and understanding with said companies.

That as to the defendant Florence Oil and Refining Company of Colorado your petitioner states that it has no knowledge or information as to whether the defendants or the Standard Oil Company own any of the capital stock of said company or not, but alleges that the same is a party to said combination and conspiracy through the contracts hereinafter more specifically set out.

That as to the United Oil Company of Colorado, your petitioner states, on information and belief, that the Standard Oil Company owns seventeen (17) per cent of its capital stock, but alleges that the same is a party to said combination and conspiracy through the contracts hereinafter more specifically set out.

That Henry C. Folger, Jr., and Calvin N. Payne are co-partners doing business under the firm name and style of Corsicana Refining Company; that the property of said co-partnership belongs to the Standard Oil Company, and the said co-partners hold said property and transact said business for the Standard Oil Company.

That certain of said companies, to-wit: the Franklin Pipe Company (limited) and the Tidewater Pipe Company (limited), are limited partnerships created and organized under the laws of Pennsylvania, with capital stock, and are hereinafter referred to as corporations.

That the Pacific Coast Oil Company hereinafter referred to was organized under and by virtue of the laws of the State of California on or about September 10, 1879; and that on or about August 4, 1906, the name of said corporation was duly changed to Standard Oil Company.

That during all of the time since 1899 the said individual defendants have been the principal directors and officers of the Standard Oil Company, and have controlled the said Standard Oil Company; which said Standard Oil Company has been principally a holding company, recognized and continued by said parties for the purpose of taking the place of the said trustees, and has exercised the same powers as the said trustees, and acquired and holds the stocks of all said corporations as a holding corporation, and has elected the boards of directors of all of said subsidiary corporations, appointed the officers and controlled the policy and business thereof, thereby suppressing competition in the purchase, transportation, manufacture, shipment and sale of petroleum and its products into and along the various states and territories of the United States, the District of Columbia, and into and with foreign countries, and monopolizing the said commerce; and that said holding and control is in violation of the laws of the United States, and particularly of the act of congress entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890.

That directly and through the instrumentality of said subsidiary corporation the said Standard Oil Trust was and the Standard Oil Company has been and now is engaged in producing, purchasing and transporting petroleum in the principal oil-producing districts in the United States, principally situated in New York, Pennsylvania, West Virginia, Tennessee, Kentucky, Ohio, Indiana, Illinois, Kansas, Indian Territory, Oklahoma, Louisiana, Texas, Colorado and California, and in shipping and transporting said oil through pipe lines owned and controlled by said companies from the various oil-producing districts into and through other states, in refining said petroleum, and manufacturing the same into

various products, in shipping the said petroleum and the products thereof into all the states and territories of the United States, the District of Columbia and foreign countries, in shipping said petroleum and its products in tank cars owned and controlled by said subsidiary companies into the various states and territories of the United States and the District of Columbia, and in selling the said petroleum and its products in various places in the United States and territories of the United States, the District of Columbia and in foreign countries; and that said individual defendants, through the said Standard Oil Trust and Standard Oil Company and their said various subsidiary corporations have, therefore, during each and all of the years since the organization of said Standard Oil Trust in 1882 and of said Standard Oil Company in 1899, been engaged in and are now engaged in interstate commerce.

Your petitioner alleges that the principal refineries and works for the manufacture of crude petroleum into various products, which are owned or controlled by the Standard Oil Company, or the owners of which are engaged in said conspiracy and parties thereto, as in this bill alleged, with the place of the location of said refineries and works and the name of the company or partnership owning the same, are as follows, to-wit:

Standard Oil Company of New Jersey, refineries at Baltimore, Md.; Bayonne, N. J.; Constable Hook, N. J., and Parkersburg, W. Va.

Vacuum Oil Company, refineries at Olean, N. Y.; Rochester, N. Y.

Standard Oil Company of New York; refineries at Buffalo, N. Y.; Brooklyn, N. Y.; Long Island City, N. Y.

Atlantic Refining Company, at Point Breeze (Philadelphia), Pa.; Franklin, Pa.; Pitsburg, Pa.

Solar Refining Company, at Lima, Ohio.

Standard Oil Company of Ohio, at Cleveland, Ohio.

Standard Oil Company of Indiana, at Whiting, Ind., and Sugar Creek, Mo.

Standard Oil Company of Kansas, at Neodesha, Kan.

Pacific Coast Oil Company, at Point Richmond, Cal.

Security Oil Company, at Beaumont, Texas.

Corsicana Refining Company, at Corsicana, Texas.

Galena Signal Oil Company, Franklin, Pa.

Tidewater Oil Company, at Bayonne, N. J.

Florence Oil and Refining Company, at Florence, Colo.

United Oil Company, at Florence, Colo.

That the Standard Oil Company owns and controls, as aforesaid, various pipe line companies, among others the following: National Transit Company, New York Transit Company, Nortern Pipe Line Company, Southern Pipe Line Company, Crescent Pipe Line Company, Southwest Pennsylvania Pipe Lines Company, Eureka Pipe Line Company, Franklin Pipe Company (limited), Cumberland Pipe-Line Company, Buckeye Pipe Uine Company, Indiana Pipe Line Company, Manhattan Oil Company, Prairie Oil and Gas Company, Pacific Coast Oil Company and Security Oil Company, which companies own and operate an elaborate system of pipe lines for handling crude oil; that said system of pipe lines includes gathering lines in each and all of said oil fields as aforesaid, by which the oil is collected from the wells and concentrated into shipping centers, and also systems of trunk lines leading from said producing fields and points of concentration to the principal oil refineries situated in the states where said fields are situated, and in other states as aforesaid, and to the seaboard; that the principal of said trunk lines are as follows, to-wit: Trunk lines from the oil fields of Western Pennsylvania and Western New York to the refineries at Cleveland, Ohio, Buffalo, N. Y., and at the seaboard at and about New York harbor in the states of New York and New Jersey, and at Philadelphia and Baltimore; also trunk lines from the oil fields of West Virginia, Ohio, Kentucky and Tennessee, extending into the State of Pennsylvania and connecting with the trunk lines to the seaboard and elsewhere above described; also from the oil fields of Ohio and Indiana to Whiting, Ind., the latter trunk lines also connecting with the trunk lines from Pennsylvania to the seaboard aforesaid; also a trunk line from said oil fields in Indian Territory, Oklahoma and Kansas to the refineries at Neodesha, Kan., Sugar Creek, Mo., and Whiting, Ind., where it connects with the said trunk lines extending from Whiting to the seaboard; also from the oil fields of Southeastern Texas to the refinery of the Security Oil Company at Chaison, Texas., and to the seaboard at Port Arthur, Texas; also from various oil fields in California to the Pacific seaboard, and particularly to the refinery aforesaid at Point Richmond, Cal. That said pipe lines have been acquired from time to time, and many of the same were controlled and operated by said trustees after the organization of said trust, more particularly the pipe lines in New York, Pennsylvania, Ohio and West Virginia; that said pipe lines now are and have always been principally used for transporting crude oil owned by the Standard Oil Trust, the Standard Oil Company or the various corporations so controlled by them, and that a large amount of the oil so transported through said pipe lines has always been and is being transported from the state of production into and through various other states.

That the Union Tank Line Company is, and ever since the organization of the Standard Oil Company of New Jersey, in 1899, and prior thereto since about 1891, has been the owner of a large number of tank cars for shipping both refined and crude petroleum, to-wit: at the present time more than 7000 cars, through which it is and has been engaged in the transportation of petroleum and the products thereof, from the producing fields to the refineries, and from the refineries into and among the various states and territories of the United States and the District of Columbia, and is now and has been during all of said time engaged in interstate commerce in such shipments.

That the Standard Oil Company, through one or more of its subsidiary corporations, the exact corporation your petitioner is unable to state, owns, and during all of said time since 1899 has owned and operated, a large number of steamships and other vessels engaged in transporting petroleum and its products from the seaboard to the various states of the United States along the Atlantic seaboard and to foreign countries; and also engaged in transporting the same on the Pacific coast and from the Pacific coast point to states and territories of the United States and to foreign countries, and has thus been engaged in interstate and international traffic and commerce therein.

That in addition to the said defendant companies owning, controlling and operating said refineries, pipe lines, tank cars and steamships, the other defendant companies have been engaged in various branches of such business, to-wit: mining and purchasing crude oil, selling the same, shipping the same to the refineries, refining the same, and shipping the products thereof into the various states and territories of the United States, the District of Columbia and foreign nations, as aforesaid, and marketing the said oil.

That the said Standard Oil Company, through its various subsidiary companies, has an elaborate system of marketing the products of petroleum in the principal towns throughout all the states and territories of the United States and the District of Columbia; that it ships the products of oil which it owns from the various refineries and manufacturing points to and into the places in said states, territories and the District of Columbia, and sells the same at the said points of destination to wholesalers, retailers and consumers; that it also operates in many of said places in said states, territories and the District of Columbia storage tanks for holding and carrying oil and tank wagons for the distribution of oil to retail dealers and consumers, and that during the entire period of

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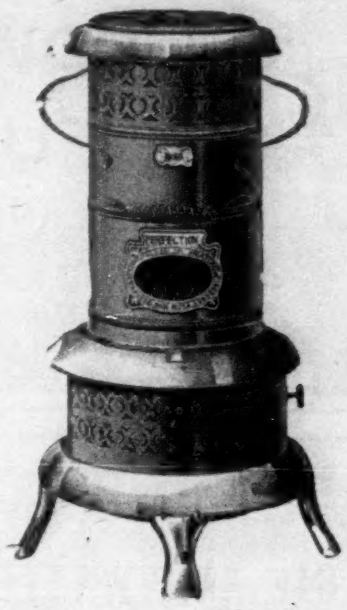
its existence the Standard Oil Trust operated in the same manner.

That the said Standard Oil Trust, during all of its existence from 1882 to 1899, and since 1899 the Standard Oil Company, and their various subsidiary corporations, and the said individual defendants acting through both said trust and said corporation, have been engaged continuously in producing crude oil, in purchasing crude oil from other producers in the various oil fields of aforesaid, in shipping, through pipe lines, tank car lines, by steamship and by railroad, the said oil to the various refining centers owned and controlled by the said various defendant companies, in refining said oil at said various refineries and manufacturing the same into various products, in shipping said oil and the products thereof through and by means of tank cars, pipe lines, steamships and by railroads, into the said various places in all the states and territories of the United States and the District of Columbia, and in the said states, territories, the District of Columbia and foreign countries; and that the said individual defendants through said trust and said various corporations have during said time thus shipped, refined and sold more than 90 per cent of the petroleum products manufactured and consumed in said states and territories of the United States and the District of Columbia, and shipped therefrom to foreign countries, and have monopolized the commerce, traffic, transportation and refining thereof and the sale of the products in and among said various states and territories of the United States and the District of Columbia and to foreign countries; and that they have thus restrained the said commerce among the said several states and territories and with foreign countries as aforesaid, have regulated the production and supply of such products and fixed the price thereof in such states and territories and the District of Columbia.



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GUFFEY-GULF REORGANIZATION PLAN TO ENABLE CONSTRUCTION OF TERRITORY PIPE LINE.

The plan for the reorganization of the J. M. Guffey Petroleum Company and the Gulf Refining Company, to enable the interests represented in these companies to construct a pipe line from Indian Territory to the Texas Gulf coast region, is revealed in a joint circular, sent to the stock and bondheiders of both companies, and signed by a committee, consisting of Messrs. William Flinn, A. W. Mellon, Emmet Queen, James D. Callery and J. H. Reed. The organization of a holding corporation with a capital stock of $15,000,000 to take over the bonds and other indebtedness and the stock of the J. M. Guffey Petroleum Company and the Gulf Refining Company is proposed. Stock and bondholders of the two companies are given the opportunity to come in and exchange their existing stock or bonds for the stock of the new corporation on the basis of one share of the new corporation stock for each five shares of the Guffey Company stock, and one share of new corporation stock for each sixteen shares of Gulf Company stock. The holders of bonds or notes of both companies have the opportunity to surrender their securities on the same basis, accepting the stock of the new corporation at its par value for the face amount of such indebtedness, the interest on such indebtedness to December 1, 1906, to be paid in cash. The fifteen million dollars capital stock of the new corporation is to be divided into shares of the par value of $100 each, with an authorized issue of $15,000,000 in first mortgage and collateral trust six per cent gold bonds to be secured by such property as the corporation may own directly and by means of proper collateral trust provisions by the deposit of the bonds and shares of stock owned by the new corporation. It is estimated that about $7,000,000 of the new bonds will be required for the purpose of providing the necessary funds to build, equip and operate a pipe line from Indian Territory to the Gulf. The remainder of the bonds are to be reserved for emergencies.

The charter of the "Gulf Pipe Line Company of Beaumont," with a capital stock of $3,500,000, was filed with the secretary of state at Austin on November 30 by C. H. Markham, general manager of the Guffey Petroleum Company, and F. C. Proctor, attorney for the company. The incorporators are A. W. Mellon, R. B. Mellon, W. L. Mellon, J. H. Beal and J. H. Reed, all of Pittsburg, Pa.; D. E. Greer and F. C. Proctor of Beaumont. In addition to the authorized capital of $3,500,000 the company, according to a statement by Mr. Markham, will issue bonds to the amount of $3,500,000. The Gulf Pipe Line Company is organized for the purpose of acquiring the pipe lines of the J. M. Guffey Petroleum Company, under the reorganization plan. The stock and bonds of the pipe line company will be vested in the holding company, which probably will be incorporated under the laws of New Jersey.

The circular to stock and bondholders of the Guffey and Gulf companies follows in full:

(A) NECESSITY FOR REORGANIZATION.

The J. M. Guffey Petroleum Company was organized in May, 1901, shortly after the discovery of oil at Spindletop, which was the first oil field discovered in Texas. At that time it was supposed that the supply was practically inexhaustible, and the company at its organization acquired a very large territory, upwards of 1,000,000 acres, of what was supposed to be undoubtedly and practically invaluable oil territory; and for this it issued $15,000,000 of capital stock. It was very soon discovered, however, that the Spindletop field was of exceedingly limited area, the fact being that 90 per cent of the entire production of that field has come from about 100 acres. It was also found that the life of the field, contrary to all expectations, was exceedingly short, the wells very soon ceasing to flow, and within a few years it practically disappeared as a producing field. A little more than five years have elapsed since the discovery of the Spindletop field, and in that time five additional fields have been found. The total productive area of all these fields probably does not exceed 1000 acres, and at the same time they have been found widely scattered, the fields or pools so developed being as much as 190 miles apart, which has entailed not only a large expenditure in the discovery of the fields, but also very great outlays of capital for pipe lines and storage facilities. These fields also have all of them had but a short life. At the present time the total production of oil in the State of Texas is about 30,000 barrels per day, and of this only about 12,000 barrels is of such quality as to be available for refining. The Louisiana fields are producing about 15,000 or 20,000 barrels per day, but there are no pipe lines connecting this field with the properties of the Guffey and Gulf companies, and the oil is not generally of such quality as to be refinable.

Notwithstanding the fact that more prospecting has been going on than ever before, no new fields have been discovered in Texas for nearly two years past, and the production is rapidly declining.

The capacity of the Gulf Refining Company, organized shortly following the organization of the J. M. Guffey Petroleum Company, and which is the principal purchaser from the Guffey company, is 12,000 barrels of crude oil per day, and this amount is required for the economical operation of the refinery. It is therefore apparent that even if the Gulf Refining Company could get all of the refinable crude oil produced in Texas, it would be hardly sufficient for the daily operation of its refinery; but the fact is that it is able to get only about one-half of this daily production, so that the present operation of the refinery depends to one-half of its capacity upon the accumulated stocks of oil, which are being rapidly depleted, and at the present rate will be entirely exhausted in about nine months.

It should be observed that the distance of this oil producing territory in Texas from the coal fields (the nearest being the Indian Territory) gives to fuel oil a very high fuel value, and as the supply of fuel oil diminishes the price of course increases, and as the oil used for refining is equally available for fuel purposes, the price of oil for fuel soon reaches a point where it is more profitable to sell the product for fuel oil than to refine it.

Since the discovery of the Texas oil fields there have been very extensive developments and large discoveries of oil in the Indian Territory and Kansas fields, the nearest to the Texas fields being of course the Indian Territory fields. These oils are not only cheaper than the Texas oils, but are also better for refining, and as the competitors of the Guffey and Gulf companies are buying and refining these oils, it is of course impossible for these companies long to stand such competition. As an illustration of what this means, we cite the following: Indian Territory oil of 32 degrees gravity and better is selling at 39 cents, while Texas oil averaging 22 degrees gravity is selling at 65 cents. When you take into consideration the fact that the nature and composition of the Indian Territory oil makes it more cheaply refined, and the further fact that with the Kansas and Indian Territory oils the higher grades of refined products are equal to those from Pennsylvania oil, it is impracticable, with the limited amount of Texas oils available for refining, and the high

L. HAGER,

CONSULTING GEOLOGIST

Examination of oil properties

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prices and uncertainty for a continuance of the supply, to compete with these other oils.

Again, viewing this matter from the standpoint of the Guffey Company alone: It has a large investment in pipe lines and tankage, which would be practically a total loss if the supply of oil becomes wholly or practically exhausted, and in order that these pipe lines may be operated profitably, requires a continued and large supply of oil; and under existing conditions, in order to assure a sufficient supply of oil for the profitable operation of these pipe lines, it is essential that the lines shall be connected with the Indian Territory fields. In like manner the Guffey company has a large investment in its fleet, and as these vessels are specially constructed for the carrying of oil, unless a supply of oil is provided adequate to keep this fleet employed, a large loss will necessarily result.

Under these circumstances the holders of the larger amount of the indebtedness of these companies, and of a majority of the shares of stock of each company, deem it necessary to the protection of their interests as such creditors and stockholders, that arrangements be made so that the oil supply from the Indian Territory fields shall be available for use to the Guffey and Gulf companies.

To do this will require the construction of about 450 miles of pipe line in addition to a large amount of tankage and other expenses necessarily connected with the undertaking, and it is estimated that these expenditures will probably amount to $7,000,000.

The Guffey company has an issue of $5,000,000 of first mortgage 5 per cent gold bonds, which mature at the rate of $500,000 in each year, beginning on June 1, 1907.

The Gulf Refining Company has an issue of $750,000 of first mortgage 5 per cent gold bonds, maturing $75,000 in each year, beginning on June 1, 1907.

Each of these companies has a large floating indebtedness, the combined floating indebtedness of the two companies aggregating approimately $2,600,000. In addition to this the Guffey company has outstanding $190,000 of Car Trust certificates.

Neither of these companies separately, nor both together, have any credit for the purpose of extending the operations of either or both so as to reach the Indian Territory fields and provide a supply of oil for their continued operations.

It seems plain, therefore, that unless this large expenditure is undertaken and done for the benefit of these companies, they will soon be in a position where their business will be entirely unprofitable, the stockholders will lose their equity in the property and any prospective profit therein, and the properties will necessarily be sold under foreclosure proceedings.

(B) THE PROPERTIES EMBRACED IN THE PLAN OF REORGANIZATION.

The companies and properties involved are:

(1) Gulf Refining Company, a Texas corporation, owning and operating a refinery at Port Arthur, Texas, and carrying on a general business in the manufacture and sale of refined oils. Capital stock, $750,000, divided into shares of the par value of $5 each. Debt, bonds, $750,000.

(2) J. M. Guffey Petroleum Company, a Texas corporation, which owns and operates producing oil territory in Texas, pipe lines and tank steamers for the transportation of oil. Capital stock, $15,000,000 divided into shares of the par value of $100 each. Bonds, $5,000,000.

(3) Floating dept of Guffey and Gulf companies, approximately $2,600,000, not including the $190,000 of Car Trust certificates already mentioned.

(C) THE PLAN AND BASIS OF REORGANIZATION.

The plan contemplates:

(1) The organization, under the laws of such state as may be determined by the committee, of a corporation known herein as the "New Corporation," with proper powers, and including especially power to own the shares of stock, bonds or other indebtedness of other corporations, which corporation will, as far as practicable, acquire the bonds and other indebtedness and the stock of the Guffey and Gulf companies.

The New Corporation will have an authorized capital stock of $15,000,000, divided into shares of the par value of $100 each, and an authorized issue of first mortgage bonds of $15,000,000.

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(2) USE OF CAPITAL STOCK OF NEW CORPORATION.

(a) The indebtedness, both bonded and floating, of the Guffey and Gulf companies (except the Car Trust certificates mentioned), will be converted into capital stock of the New Corporation, the stock being taken at its par value for the face amount of such indebtedness. Interest thereon to December 1, 1906, to be paid in cash.

(b) Each five shares of Guffey Petroleum Company stock of the par value of $100 each, will be entitled to one share of New Corporation stock of the par value of $100 each.

(c) Each sixteen shares of Gulf Refining Company stock of the par value of $5 each, will be entitled to one share of New Corporation stock of the par value of $100 each.

Any residue of said authorized capital stock to belong to the treasury of the New Corporation.

(3) DESCRIPTION AND USE OF BONDS OF NEW CORPORATION.

The $15,000,000 of bonds of the New Corporation are to be first mortgage and collateral trust six per cent gold bonds, and are to be secured by first mortgage upon such property as the corporation may own directly, and, by means of proper collateral trust provisions, by the deposit of the bonds and shares of stock owned by the New Corporation. Of these new bonds it is estimated that about $7,000,000 will be required for the purpose of providing the funds necessary for the construction or acquisition of the pipe line to connect the Indian Territory fields with the existing pipe lines of the Guffey company, providing the necessary tankage in connection therewith, and additional working capital. The remainder of these bonds are to be reserved, with such restrictive provisions in the mortgage securing the same, that they can be issued only with the approval of the trustee under the mortgage, and only for the acquisition of additional property, adding to the properties of the company an amount in value at least equal to the amount of bonds so issued.

II. The New Corporation will offer to the stockholders of the Guffey and Gulf companies propositions as follows:

(1) To the Guffey Company Stockholders:

An opportunity to come in and exchange their existing stock for stock of the New Corporation on the same basis as other stockholders of the Guffey company have exchanged, viz: one share of stock of the New Corporation for each five shares of Guffey company stock.

(2) To the Gulf Stockholders:

An opportunity to come in and exchange their existing stock of that company for stock of the New Corporation on the same basis as other stockholders of the Gulf company have exchanged their stock, viz: one share of New Corporation stock for each sixteen shares of Gulf company stock.

(3) To Holders of the Bonds or Notes of the Guffey and Gulf Companies:

The opportunity to come in and surrender their bonds or notes in exchange for stock upon the basis hereinbefore mentioned, viz: to accept stock of the New Corporation at its par value for the face amount of such indebtedness, the interest on such indebtedness to December 1, 1906, to be paid in cash.

III. If all of the stock and all of the debt of the Guffey and Gulf companies or an amount of each sufficient in the judgment of the committee (hereinafter provided for) to enable the carrying out of this plan, shall be deposited hereunder as hereinafter provided, it is then contemplated that:

(a) The Gulf company will increase its capital stock, and will authorize an issue of first mortgage bonds to such amounts respectively as may by the committee be deemed advisable, all of which stock (save such number of shares as may be necessary to qualify persons to act as directors or other officers of such corporation) and bonds will be vested in the New Corporation and be paid for by it, through the surrender of a like amount of the indebtedness of the Gulf company then held by the New Corporation.

(b) There will be organized a pipe line company, which company will acquire the pipe lines of the Guffey company, and will issue its shares of stock and bonds, all of which shares of stock (save such amount as may be necessary to qualify directors and other officers) and all of said bonds will be vested in the New Corporation.

(c) The Indian Territory oil fields shall be connected by pipe line with the existing pipe lines of the Guffey company, either by the construction of a pipe line by the Pipe Line Company above mentioned, which shall acquire, for an adequate consideration, the pipe lines of the Guffey company, or such other plan as may be determined by the committee; but whatever plan may be adopted, the construction thereof shall be financed by, and the same shall be done for the benefit of, the New Corporation.

Upon the completion of this plan, the New Corporation should have as security for its issue of bonds:

(1) First mortgage bonds upon the refining company properties, the pipe line company properties and the properties of the Guffey Petroleum Company.

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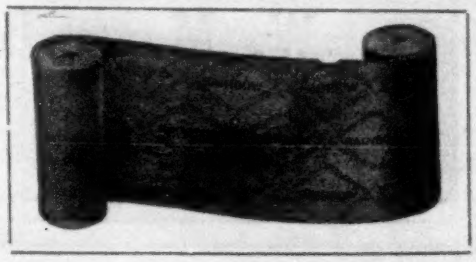

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(2) The shares of stock of the refining company, the pipe line company and the producing company, which, under this plan, would remain the Guffey Petroleum Company.

(3) The steamers and tank stations and other property of similar character outside of Texas now owned by the Guffey company, which could be transferred either directly to the New Corporation, or would be represented by the ownership of the capital stock of the Guffey company.

IV. In the event that any of the stockholders of either the Guffey company or the Gulf company shall decline to assent to this plan, the New Corporation would be in position as the owner of the debts of each of these companies, to enforce its rights as such creditor.

V. The Committee:

Messrs. William Flinn, A. W. Mellon, Emmet Queen, James D. Callery and J. H. Reed will act as a committee for the purpose of endeavoring to carry out the plan of reorganization hereinbefore outlined

AGREEMENT.

Dated the 15th day of October, 1906, between William Flinn, A. W. Mellon, Emmet Queen, James D. Callery and J. H. Reed (hereinafter called the Committee), parties of the first part, and all holders of stocks or indebtedness of the J. M. Guffey Petroleum Company (hereinafter called the Guffey company) and the Gulf Refining Company (hereinafter called the Gulf company), who have become or shall become parties to this agreement (hereinafter called Depositors), parties of the second part:

Witnesseth, That each and every person or party who shall have deposited with the depositary hereunder any stock, bond or other obligation of the Guffey company or of the Gulf company, hereby promises and agrees to and with every other party hereto, and with the depositary, as follows:

First.—The depositors hereunder hereby request the committee to carry into practical operation this agreement, and the foregoing plan of reorganization in its entirety or in part to such extent and in such manner and with such additions and modifications (save as hereinafter limited) as the committee shall deem to be for the best interest of the depositors, and shall make in the manner hereinafter provided; and every depositor for himself hereby gives to and vests in the committee all the power and authority of an owner of the stocks, bonds and other obligations deposited hereunder, with full right to transfer the same into its own name as a committee, or into the name of any other person or persons whom the committee may select, with all the powers and privileges incident thereto, including the right to vote on any such shares of stock, and to use and enforce in such manner as it may deem best, any such bond or other obligation, in the same manner and to the same extent as the owner or holder thereof might or otherwise could do.

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Second.—Each depositor shall, at the time of the execution and delivery of this agreement, deposit with the Union Trust Company of Pittsburg (hereinafter termed the Depositary), the shares of stock, bonds or other obligations in respect whereof he shall become a depositor hereunder; and only such holders of the shares of stock or indebtedness of the Guffey company and of the Gulf company as shall sign this agreement and deposit the securities (in respect of which they shall so sign the same) with said depositary on or prior to December 1, 1906, shall be entitled to the benefits and advantages of the plan of reorganization herein provided, unless the committee shall, in the manner hereinafter provided, extend the time for such signatures and deposits.

Third.—Each depositor hereunder shall be entitled to receive from the depositary, proper transferable, but not negotiable, receipts evidencing that such depositor has deposited with the depositary the shares of stocks, bonds or other obligations mentioned in such receipt, and that the same are held by the depositary under and subject to the terms of this agreement.

Each depositor shall register with the depositary his name and an address, to which the notices to be given hereunder, or by the committee, may be mailed.

Fourth.—The committee may, from time to time, employ counsel, agents and all necessary assistance, and may incur and discharge any and all expenses, by it deemed reasonable for the carrying out of this agreement, and may make contracts with any person or corporation for the purpose of carrying into effect this agreement, but all such expenses so incurred by the committee shall be paid by the New Corporation mentioned in said plan of reorganization, and shall not be a lien or charge against any of the stocks or securities deposited hereunder.

Fifth.—In the event of a difference of opinion among the members of the committee the matter that is the subject of such difference shall be determined by vote (expressed either at a meeting or in writing with or without meeting) of the members of the committee, and the affirmative vote expressed as aforesaid of two-thirds of all of the members of the committee shall decide such matter. Any member unable to attend a meeting may vote by any other member as his proxy. Any vacancy in the committee shall be filled by the remaining members. Neither the committee nor the depositary assumes any responsibility for the execution of the plan, or of this agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof, the members of the committee, however, undertaking in good faith to endeavor to execute the same. Neither the committee nor the depositary shall be personally liable for any act or omission of any agent or employe selected in good faith, nor for any loss not resulting from their own malfeasance or wilful neglect; and no member of the committee shall in any case be liable for the act or omission of any

other member. Any member of the committee may at any time resign by giving notice in writing to a majority of the remaining members. The members of the committee shall receive no compensation for their services hereunder, but shall be entitled to payment of all reasonable expenses incurred by them in connection with the performance of their duties hereunder.

Sixth.—The committee may construe this agreement (including the plan of reorganization), and its construction thereof or action thereunder in good faith shall be final and conclusive. It may supply any defect or omission, or reconcile any inconsistency in such manner and to such extent as shall be necessary to carry out the same properly and effectively, and it shall be the judge of such necessity. It shall have full power and authority to determine the manner in which all matters not specifically covered by said plan of reorganization shall be carried into effect; and it may make such changes or modifications therein as to it shall seem expedient, but no such change or modification shall be made which shall reduce either the amount of securities to be received by the depositors or their proportionate interest in the stock of the New Corporation.

Seventh.—In case of any such change or modification of the plan of reorganization, the same shall be made in writing, a copy thereof delivered to the depositary, and a printed copy of such modification mailed to each depositor at his registered address.

Eighth.—In case the committee shall abandon the attempt to carry into effect the reorganization plan herein provided for, or shall at any time find it inexpedient to proceed therewith, it shall be its duty to notify in writing the depositary to that effect; and thereupon it shall be the duty of the depositary, upon the surrender of its receipts, and in accordance with the terms thereof, to surrender in exchange for such receipts the securities so deposited with it.

Ninth.—When the plan of reorganization herein contemplated shall have been carried into effect, whether in whole or in part, the committee shall cause to be delivered to the depositary the shares of stock to which the depositors hereunder are entitled; and thereupon it shall be the duty of the depositary to deliver said shares of stock to the depositors upon the surrender of and in exchange for the receipts issued by such depositary.

Tenth.—This agreement shall bind the committee and their successors in office, and the depositors hereunder and their and each of their heirs, administrators, successors and assigns; and this agreement may be evidenced by any number of identical writings, which several writings shall be taken and deemed to be one agreement.

In witness whereof, the majority of the members of the commitee have hereunto signed their names, and all other parties hereto have signed this agreement and deposited securities as above set forth, all as of the 15th day of October, 1906.

WILLIAM FLINN,
A. W. MELLON,
EMMET QUEEN,
JAMES D. CALLERY,
J. H. REED,
Committee.

THE BUFFALO EXTINCT.

The following circular has been mailed to stockholders of the Buffalo Oil Company:

"In our last circular letter of May 31, 1905, it was shown that the resources of the company were about exhausted, and it was then decided to suspend operations, except in regard to work on wells just then completed. These wells were worked on more or less during the following six months, but without permanent success, and were finally abandoned.

"In March of this year a shallow statum was found at Humble which gave substantial evidence of being very profitable to operate, and it was decided to make one more effort there, to regain at least a part of our former losses; accordingly two wells were made, both of which proved to be failures.

"This last and final effort has exhausted our entire resources, and made it necessary to dispose of all machinery, pipe, etc., together with the various parcels of land owned by the company, in order to meet the obligations thus incurred. These lands, acquired at fabulous prices during the 'boom days' at Beaumont, have depreciated to a nominal acreage value, and have been disposed of on this basis.

"It is with much regret that this statement is sent out, as the management feels that it has made an honest and faithful effort—but the odds were against us, and the 'Buffalo' only yields to the same fate which overtook most all the other oil companies much earlier in their history. Yours truly,

"By J. M. Smith, Secretary."

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LIABILITY FOR RENT ON OIL AND GAS LEASES. OTHER CASES.

Leases for oil and gas often contain provisions for payment in case of the discovery or continued flow of oil or gas in paying quantities. These words were construed in a North Carolina case where it was held that a provision in an oil and gas lease that "if oil is found in paying quantities party of first part is to be paid in addition to the $75 now paid in hand the further sum of $600, said money to be paid within thirty days from completion of the well," shows an obvious intention to make the additional payment if for the period of thirty days after its completion the well continued to produce oil in such quantities as to make it profitable to operate it during that period. The court also held that the words "found in paying quantities" can not be construed to require that the production for the thirty days should be sufficient to pay the cost of the well, but only to pay for operating it.

Under another similar clause it was held that so long as gas from a well is piped into a pipe line from which gas is sold to customers, the lessee is liable to pay the rent for the well under a lease providing that if gas is found in sufficient quantities to justify marketing the lessee shall pay $100 per annum for the gas from each well so long as it is sold therefrom. The election of the lessee to pump it into the line from which gas is sold requires him to pay for it and raises a presumption that the well is producing gas in paying quantities, even if the gas actually produced from that well was not more than enough to operate the wells on the land, and if used for that purpose the lessee would not have to pay for it.

A clause that the lessee "may at any time surrender up this lease and be released from any and all payments or liabilities" does not allow him to escape liability for a payment that has become due under the lease for failure to complete a well by subsequently surrendering his lease. An attempt to surrender a lease about two months before the expiration of a year for which a stipulated rental is payable on default of the completion of a well will not discharge the lessee from liability to pay the rental. A lessee who has found gas, but no oil, on the leased premises, who continues in possession without surrendering the lease, or offering to do

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so, or giving any notice of termination, can not, by merely disconnecting the line and ceasing to produce gas and notifying the lessor of the fact, terminate his liability to pay rent under an oil and gas lease which was to continue as long as oil and gas are found in paying quantities.

The Supreme Court of Indiana holds in a recent decision that in an action to enforce a mechanic's lien for work performed in the drilling of an oil well for one alleged to have a leasehold interest in the land, no recovery can be had in the absence of any evidence that the party who employed plaintiff was ever directed or authorized by the lessee to dig the well.

In the case of the North Texas Construction Company vs. the San Jacinto Oil Company, decided by the Texas Court of Civil Appeals in May, the defendant oil company agreed to furnish the plaintiff Beaumont crude oil as required, at certain prices, for a term of three years or as long as the Beaumont wells were flowing. The contract was made February 10, 1902, and the wells ceased to flow after July of that year. In August or September the defendant refused to furnish any more oil under the contract, but in November the defendant brought in another flowing well, which ceased to flow January 5, 1903. On bringing in such well defendant offered to resume shipments under the contract and continued to fill orders until plaintiff filed an order for 100 cars, which was largely in excess of plaintiffs requirements, which defendant refused. The court held that the contract did not obligate defendant to furnish oil after the Beaumont wells in general ceased to flow, and that defendant's resumption of shipments did not create a new liability or prevent it from relying on the termination of the contract.

TERRITORY ECONOMICS.

Up in the Indian Territory where crude oil brings the producer thirty-four cents a barrel, or about three-fourths of a cent a gallon, the producers are getting down to the thinking point on the economic side and when one oil producer meets another at the cigar stand and Jones hands Smith a ten-cent cigar, the following is a pretty fair sample of the conversation that occurs:

"That ought to be a pretty good cigar," remarks Jones grimly, "it cost me fourteen gallons of oil."

"Oh, that's nothing," retorted Smith, "when we struck fifteen cents back in Ohio, we had to give up sixty barrels of oil for two weeks' board, and it was pretty rotten board at that."

"Of course it might be worse," admits Jones, "but somehow I cannot get accustomed to giving up seven gallons of good crude oil for one little dinky glass of Eureka water. And every time a man brings me a barrel of Caney river water for laundry purposes, and I have to give him a half barrel of oil for it, I cannot help getting a bit grouchy. It don't look like an even break to me."

Just then Smith's wife passed with a nifty hat and a bewitching costume.

"Looks that would be a bit top-heavy, but it don't appear to be," remarked Smith reflectively.

"What's that?"

"My wife's hat. You would hardily believe she has forty-five barrels of oil perched on hear head, and if you would count in the dress, she is wearing around just about a 250-barrel tank of oil right now."

"Pooh, pooh," remarked Jones pessimistically, "Just wait till oil strikes fifteen, and you'll have to pump a whole train load of tank cars full to rig her out like that."

"It beats hell," said Smith.

"It sure does," said Jones.

MISCELLANEOUS NOTES.

The Crescent Pipe Line Company of Philadelphia has increased its capital stock from one million to two millions, the Southern Pipe Line Company of Oil City from five to ten millions, and the Northern Pipe Line Company of Oil City from one million to four millions.

The Prairie Land Company of Houston, capital stock $10,000, has been incorporated by J. A. Read, C. W. Harral, Charles C. McRae, James H. Bute and E. L. Dennis. To prospect for oil.

The Standard Oil Company of New Jersey recently declared a dividend of $10 a share, the same as paid at about the same time last year. The dividend paid in the previous quarter was $6 per share. The dividend is payable December 15 of stockholders of November 21 record.

The Valley Ridge Oil Company of Houston, capital stock $11,375, has been incorporated by J. A. Read, R. Sims Allen, C. W. Harral, S. W. Mays and C. C. McRae, all of Houston, and T. Longbotham of Wortham, Texas.

HARD ON DAVY.

How thoughtless of Bailey to take money from the gentleman whom he was favoring merely out of friendship for that great and good World's Fair promoter, David Rowland Francis. Imagine Davy's feelings when he hears about those vouchere! It is so *very* embarrassing.

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PETROLEUM AS A BRIQUETTE BINDER.

Crude petroleums have been tested as binding materials in the manufacture of briquettes for fuel at the St. Louis fuel testing plant of the United States Geological Survey, with satisfactory results. The asphaltic petroleums were used successfully in water-proofing briquettes made with a starch binder, though it is doubtful whether this practice would prove entirely satisfactory in operations in a commercial scale. In the tests the success of the waterproofing was fairly proportional to the amount of asphaltic material in the petroleum. As a binding material the asphaltic petroleum proved even more successful than when used for waterproofing purposes, from 6 to 8 per cent being entirely satisfactory.

The petroleum residuums proved to be successful binding materials somewhat in proportion as the per cent of asphalt in them increased. Some obtained from the Gulf Refining company of Port Arthur, Texas, was found to melt at a temperature of 100 degress C., and about 99.38 per cent of it was found to be soluble in carbon disulphide. Another sample of asphaltic petroleum from the Gulf Refining company flowed at a temperature of 95 degress C. and of this it was found that carbon disulphide would dissolve 99.88 per cent. From 4 to 6 per cent of this material gave excellent results as a binder for briquettes.

Advertisement.

THE DENVER ROAD CHANGES ITS SCHEDULES.

In order to satisfactorily accommodate its now phenomenal passenger business, the Fort Worth and Denver City railway changed its passenger train schedules on Sunday, the 18th ultimo, and as the same time placed in service two additional daily trains between Fort Worth and Wichita Falls, thus affording its patrons an exceptional service of four daily trains in each direction.

These latest additions are numbered 5 and 6 and their particular mission will be to maintain quick communication between certain North Texas territory and numerous points on connecting lines in Central, Southern, Western and Eastern portions of the state, resulting in a saving of time for travelers which has hitherto been impossible; also enabling many patrons to minimize lay-overs en route and to avoid the measure of night travel and late hours in reaching destinations in all directions which would be impossible under other circumstances.

These new trains will leave Fort Worth at 6:05 and arrive at Wichita Falls at 10:55 p. m., and will leave Wichita Falls at 6:15 and arrive at Fort Worth at 10:55 a. m. daily, these figures admitting of the maintenance of several important connections.

In addition to the foregoing, train No. 7, operating between Fort Worth and Texline, 453 miles, now leaves Fort Worth at 9:15 instead of 8:45 p. m., and No. 8 now arrives Fort Worth at 7:15 instead of 7:45 a. m., thus making a difference of about thirty minutes at points intermediate to Fort Worth and Texline.

Simultaneously with these advantageous changes, "The Denver" has also taken another step worthy of favorable comment; this being that it has inaugurated the sale of half-rate Sunday excursion tickets between all points on its line; the tickets being available to all regular stations for distances within 200 miles thereof, and the liberality of the arrangement will undoubtedly be substantially appreciated and result in greatly increased social travel.

TOO BAD.

Too bad, isn't it, that Senator Bailey has to spend so much of his time denouncing little things that are said about him as "unqualified lies?" It would seem that a man of such unblemished honor and adamantine integrity as he himself says he is should not be annoyed by the necessity of making so many strenuous denials.

A demand by the independent oil interests that Eastern railroads make a reduction of nearly 40 per cent in the rates on petroleum and its products has been turned down. The independents now declare that the case will be taken to the Interstate Commerce Commission. The oil men contend that less than carload lots should be changed to third and fourth class, and carload rates from fourth to sixth class. The railroads offered to make a reduction of 10 per cent, which was rejected.

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SHIPMENTS OF OIL FROM PORT ARTHUR

DATE	RIG	NAME VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	BBLS
Nov. 17	Barge	Conemaugh	Gulf Ref. Co	Gulf Ref. Co	Port Tampa	Crude	10667
17	"	"	"	"	"	Lubr. Oil	35
17	"	Gusher	Texas Co	For Orders	Galveston	Crude	7637
17	S S	Ligonier	Gulf Ref. Co	Gulf Ref Co	Gibsons Point	Crude	20372
17	"	"	"	"	"	Lubr	6192
17	"	"	"	"	"	Asphalt	2011
17	"	"	"	"	"	HardAsph	1000
17	Shon'r	Douglas	"	"	"	Solar	39549
26	S S	Northtown	Texas Co	Texas Co	Tampa	Bunker	739
26	"	Broadmayne	"	Contl. Pet.Co.	Antwerp,Belg	Solar	21366
26	"	"	"	"	"	No2.Black	3477
26	"	"	"	"	"	Win.Black	3948
27	"	Northtown	Gulf Ref Co	Gulf Ref. Co	For Orders	Crude	22875
29	Barge	Gusher	"	"	Port Tampa	Crude	7861
30	S S	Larimer	"	"	Bayonne N. J.	Solar	4039
30	"	"	"	"	"	Crude	17178
30	"	"	"	"	"	Lub.	6580
30	"	"	"	"	"	Asphalt	2067
30	Barge	Shenango	"	"	"	Solar	27493
30	S S	Northman	Texas Co	Texas Co	Del.River Sta.	Bunker	1086
30	"	"	"	"	"	Solar	22426
30	Barge	Magnolia	"	"	"	Win.Black	2069
30	"	"	"	"	"	Pale Eng.	824
30	"	"	"	"	"	Solar	3291

Total (Barrels) 240,772

Previous Shipments in Nov 349,141

Total for Month 589,913

Crude 294,703
Other Grades 295,210

SHIPMENTS OF OIL FROM SABINE*

DATE	RIG	NAME VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	BBLS
Nov. 15	Barge	No. 92	Security	Standard	New York	Red O Dist	27583
16	S S	Roma	Sun P L Co	Sun Co	Marcus Hook	Crude	27936
22	Barge	Gusher	H. O. & F. Co.	H O & F Co	Galveston	Crude	8183

Total (Barrels) 63,702

Previous Shipments in Nov 128,168

Total for Month 191,870

Crude 131,552
Other Grades 60318

*This table also includes shipments from Sabine Pass

The local manager of the Standard Oil Company at Memphis, Tenn., has been served with a citation to appear before the federal court at Jackson on the first Monday of next April to answer indictments returned against the Standard by the grand jury.

The Texas Paraffine Oil Company of Dallas has been incorporated, with a capital stock of $100,000, by C. M. Gearing of Brownwood, Texas, J. C. McKay, A. R. Firmin, W. T. Medders and H. C. Gravis, all of Dallas.

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SUITS AGAINST OIL COMPANIES.

The Buckeye Pipe Line Company of Ohio has been made defendant in a suit filed Nov. 22 at Findlay by the prosecuting attorney of Hancock county. The State of Ohio is the plaintiff and alleges that ever since 1886, when it was organized, the defendant has been a member of an illegal combination known as the Standard Oil trust. It operates in six counties in Northwestern Ohio and charges 20 cents a barrel for the transportation of oil any distance. Such charges, it is said, are only nominal and they are imposed to prevent others availing themselves of such facilities. The charges are alleged to be wholly disproportionate to the services rendered. It is stated to be the duty of the defendant as a common carrier to afford the public equal facilities for use of its pipe lines, and that the charges should not be more than one-eighth of 1 per cent. Plaintiff prays for an alternative writ of mandamus to issue out of the circuit court and that the defendant provide for the public equal and just facilities and transportation in Ohio and fix a schedule of rates.

An indictment has been returned by the Blaine county, Oklahoma, grand jury against the Waters-Pierce Oil Company and the Frisco railroad alleging a violation of the Oklahoma anti-trust laws. The indictments recites that the railroad company entered into an agreement with the oil company for transporting its production at a lower rate than offered any of the latter's competitors. The specific charge is that the Frisco permited its co-defendant to ship empty oil barrels at a rate less than 25 cents, the minimum.

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